Friday
11th February, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)]

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART I—QUESTIONS AND ANSWERS)

Friday, 11th February 1949.

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

DECLARATION BY MEMBER

The following member made the Declaration under Rule 4:

Shri Kala Venkata Rao (Madras: General).

STARRED QUESTIONS AND ANSWERS

ORAL ANSWERS

IMPORT OF TEXTILE MACHINERY FROM JAPAN

*300 **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Commerce be pleased to state whether it is a fact that Japan textile machinery was imported in large quantities during the year 1948?

(b) If so, what is the number of spindles and looms and at what port were they landed?

(c) What was the total value of these imports and has all this machinery been installed?

(d) What is the total amount of orders placed by Indians in Japan for textile machinery?

The Honourable Shri K. C. Neogy: (a) Textile machinery worth about Rs. 50 lakhs was imported from Japan during 1948.

(b) There were no imports of spindles but 2,246 looms were imported. 2,236 looms were landed at Bombay and 10 at Calcutta.

(c) The value of the looms imported was Rs. 32 lakhs approximately. Out of the 840 cotton textile looms imported, 400 have been installed already and the balance is under erection. Information is not readily available regarding silk, rayon and wire cloth looms, whose number was 1406.

(d) The total value of orders for textile machinery placed by India in Japan upto December, 1948 amounts to Rs. 2 crores and 40 lakhs approximately.

Dr. V. Subramaniam: Are they likely to get any spindles or looms this year from Japan?

The Honourable Shri K. C. Neogy: Yes. I hope that some will come this year.

Dr. V. Subramaniam: May I know approximately what number?

The Honourable Shri K. C. Neogy: It is very difficult to say exactly.

Shri H. V. Kamath: Are the import negotiations with Japan conducted through the SCAP authorities?

The Honourable Shri K. C. Neogy: I do not know what negotiations my honourable friend has in view. There is an agreement between India and a few other sterling countries and SCAP authorities in regard to the importation of certain commodities. Within the framework of that agreement, private enterprise operates for the purpose of making the importation subject of course, to approval by SCAP of definite orders.

Srijut Rohini Kumar Chaudhuri: May I know, Sir, if any of these machineries and looms were imported for any Provincial Government, for instance, Assam, which province has decided to nationalize the Textile industry?

The Honourable Shri K. C. Neogy: I am afraid I have not got the information here with me at the moment, and if the honourable member will put down a question, I will certainly answer it.

Shri T. A. Ramalingam Chettiar: Is the total number of spindles and looms that are to be exported settled between the two Governments?

The Honourable Shri K. C. Neogy: There are two periods which have to be taken into account in this connection, the period that preceded the agreement with the SCAP authorities and the period that succeeded it. So far as the previous agreement goes, it was a Government to Government sort of agreement, and the subsequent agreement is operated by private trade. In both these cases, the quantities are subject to approval of SCAP authorities.

Mr. Homi Mody: Are these imports part of an arrangement for the exchange of goods between the two countries or are they independent of the agreement?

The Honourable Shri K. C. Neogy: They are parts of that agreement. As I have said there are two different periods in which the agreement would be operating somewhat on different lines.

ACQUISITION OF LAND FOR BUILDING HOUSES FOR REFUGEES

*301. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state whether any land has been acquired from private sources for building houses for refugees and if so, what is the total amount paid by Government in respect of this?

(b) How many houses for refugees have been actually built, how many occupied and how many more are under process of construction?

(c) Have Government given any land to co-operative societies of refugees and if not, what are the reasons for refusal?

The Honourable Shri Mohan Lal Saksena: (a) No.

(b) The honourable member is referred to the reply given by me to part (b) of Starred Question No. 104 by Dr. V. Subramaniam on the 3rd February, 1949.

(c) No; the policy in regard to co-operative building societies in Centrally Administered areas is under consideration. A decision will be announced shortly.

Shri R. K. Sidhva: May I ask if any co-operative societies have so far been registered for the building of houses and whether any land has been given to them? If not, when the Government are likely to consider action to relieve this congestion and solve this housing problem?

The Honourable Shri Mohan Lal Saksena: I do not know if the honourable member refers to co-operative societies registered in Delhi or registered elsewhere.

Shri R. K. Sidhva: I am talking of Delhi.

The Honourable Shri Mohan Lal Saksena: As regards Delhi, no land has been given to any co-operative societies so far.

Shri R. K. Sidhva: May I ask if any societies have been registered for that purpose?

The Honourable Shri Mohan Lal Saksena: Yes. Societies have been registered.

Prof. N. G. Ranga: Is it a fact that some societies, not co-operative societies of all these refugees, which possess the advantages of the services of a number of retired Chief Engineers and Superintending Engineers have applied for land, have not been given any land till now nor any other facilities?

The Honourable Shri Mohan Lal Saksena: As a matter of fact, they have applied for land, but besides that they wanted also expenditure for improvement of land, which the Government has already undertaken.

Prof. N. G. Ranga: Is it a fact, Sir, that these societies have been seeking the assistance of Government during the last fourteen months, and nothing so far has been done in a tangible manner to help them?

The Honourable Shri Mohan Lal Saksena: The fact of the matter is that there are 4,50,000 refugees in Delhi, and out of them only 2,50,000 have to be rehabilitated, and, therefore, the Government cannot give land to these refugee societies, which have been formed *ad hoc*, because Government have fixed a certain proportion for the other provinces and these societies do not come under that. Therefore, while making allotments, we take into consideration the claims of individuals, and members of co-operative societies are allotted adjacent plots.

Shri R. K. Sidhva: May I know whether some refugee societies have registered with the object of building houses at their own cost and ask the Government only to grant land at concessional rates? As they are very anxious to have these houses built themselves, may I know whether Government are going to consider that favourably? Have they made out any policy? May I know whether they want to help them also or not in this direction?

The Honourable Shri Mohan Lal Saksena: I am not aware of any society which has been registered, which is prepared to build houses at its own cost.

Shri R. K. Sidhva: Is it not a fact that a society which has been registered last month and of which I am the President.....

Mr. Speaker: Order, order.

The Honourable Shri Mohan Lal Saksena: I have not the honour of having any conversation with the President of the society, so far.

Sardar Hukam Singh: Is there any percentage quota fixed for the allotment of these houses to different provinces now in Pakistan?

The Honourable Shri Mohan Lal Saksena: I do not know what has happened in Pakistan, but so far as Delhi is concerned, we have fixed a quota.

Sardar Hukam Singh: I did not say what has happened in Pakistan. I wanted to enquire whether any percentage quota has been fixed for allotment to refugees coming from Provinces that are now in Pakistan and who have settled now here in Delhi.

The Honourable Shri Mohan Lal Saksena: Yes. A quota has been fixed for different provinces.

Dr. V. Subramaniam: Are the Government going to build prefabricated houses for the refugees?

The Honourable Shri Mohan Lal Saksena: I think the honourable member must be aware that there is a scheme for setting up a factory for the manufacture of prefabricated houses. It will take some time before the factory is set up.

Shri H. V. Kamath: May I know, Sir?

Mr. Speaker: Order, order, I am calling the next question.

DELAY IN ISSUING PERMITS TO ENTER PAKISTAN

*302. **Shri R. K. Sidhva:** (a) Will the Honourable the Prime Minister be pleased to state whether the attention of Goverument has been drawn to the abnormal delay in getting temporary permits for Indian nationals to enter Pakistan from the Pakistan High Commissioner's Office in Delhi and Bombay?

(b) Are Government aware that permits are not issued for weeks although all formalities are complied with?

(c) Do Government propose to take steps to see that such permits are issued promptly by Pakistan authorities in India?

The Honourable Shri N. Gopalaswami Ayyangar (Minister for Railways and Transport): (a) and (b). Government have seen reports of delay in the issue of permits.

(c) The responsibility for the issue of permits is that of the Pakistan Government. If any specific complaint is made it will be forwarded to the Pakistan authorities.

Shri R. K. Sidhva: Is it not a fact, Sir, that some of the nationals of India who have come out from Pakistan are experiencing great difficulty in getting no objection certificates? That means that they can go and come back from Pakistan after visiting. Is it not a fact that they have to wait for three months to obtain the no objection permits?

The Honourable Shri N. Gopalaswami Ayyangar: As a matter of fact, instructions were issued, I think about the beginning of December, that before a temporary permit was issued by our Deputy High Commissioner to enable a person to go to India, that person should produce a no objection certificate from the Deputy Commissioner of his District and that being obtained, the delay has been greatly minimised since.

Shri R. K. Sidhva: Is it not a fact that such complaints have been made in the Relief and Rehabilitation Ministry and a reference has been made by that Ministry to the Bombay Government to see that such delay is not caused, and may I know what steps have been taken?

The Honourable Shri N. Gopalaswami Ayyangar: Yes, I understand it is so.

Sardar Hukam Singh: What is the total number of permits issued so far?

The Honourable Shri N. Gopalaswami Ayyangar: I should like to have notice of that question.

Shri H. V. Kamath: Was the working of this permit system examined and discussed at any of the Inter-Dominion Conferences that took place recently?

The Honourable Shri N. Gopalaswami Ayyangar: Not in the Delhi or the Karachi Conferences held in December and January last, but at a previous conference, it was discussed.

Lala Achint Ram: May I know, Sir, to how many people who applied permits have been refused?

The Honourable Shri N. Gopalaswami Ayyangar: I am afraid I want notice of that question.

Sardar Hukam Singh: Have any Sikhs applied for it and gone out to Pakistan with these permits?

The Honourable Shri N. Gopalaswami Ayyangar: Notice again, please.

Shri R. K. Sidhva: On an average, how much time is taken to get these permits?

The Honourable Shri N. Gopalaswami Ayyangar: Some permits are obtained the same day; others are obtained on different dates, sometimes at long intervals too. It all depends on the particular circumstances of each application.

Shri R. K. Sidhva: Is the Honourable Minister very sure that permits are obtained on the same day? Is it not a fact that complaints are made?

Mr. Speaker: This is not asking for information. Next question.

APPOINTMENTS THROUGH EMPLOYMENT EXCHANGE

*303. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Labour be pleased to state the total number of applications registered in Delhi at the Employment Exchange during the year 1948 and how many were provided with employment?

(b) Is it a fact that in various Ministries names sent by the Employment Exchange are not accepted and other persons not registered in the Exchange are appointed?

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): (a) The Regional Employment Exchange at Delhi registered 60,634 applicants during the year 1948 and found employment for 8,561 applicants during the same period.

(b) No machinery exists to discover with accuracy how many persons, not submitted by Exchanges are interviewed and employed by the Ministries of the Central Government. It is known, however, that 9,248 vacancies were notified to the Regional Employment Exchange, Delhi, by the Ministries during the year 1948. Against these vacancies, 30,092 applicants were submitted and proof of placings was received in respect of 5,959 of them. It is also known that almost as many vacancies, which should have been notified to the Employment Exchanges were not notified at all. Details are not available as to how these latter vacancies as also the 9,284 vacancies about which no proof of placings was received, were actually filled by the Ministries concerned.

Shri R. K. Sidhva: How many candidates were sent from the Employment Exchange to the various Ministries, how many were refused any post, and how many were taken.

The Honourable Shri N. V. Gadgil: As regards the number taken, it is already contained in the reply just given. As regards employment offered

and refused, 7,960 people were offered appointments, but they refused, during the course of 1948.

Shri R. K. Sidhva: What were the grounds on which 7,960 people refused?

The Honourable Shri N. V. Gadgil: They are within their knowledge.

Mr. Speaker: I think it is hardly admissible to ask for reasons in detail as to why 7,000 and odd number of people refused.

Shri R. K. Sidhva: From the very fact that such a large number of people who wanted service did not want to accept appointments, I wanted to know any particular reason for this.

Mr. Speaker: How can one state one general reason applicable to all.

The Honourable Shri N. V. Gadgil: I can give only one general answer; probably they wanted more pay which was not justified by the post offered.

Shri V. C. Kesava Rao: Out of these people, how many are refugees, how many are I.N.A. men and how many ex-servicemen?

The Honourable Shri N. V. Gadgil: Registration of ex-servicemen was 26,988; others 94,000; refugees 54,239. Among the placements for the year 1948, ex-servicemen were 1,595, others 6,966, total, 8,561. Refugees, 4,087.

Shrimati Renuka Ray: How many of these are refugees from East Bengal?

The Honourable Shri N. V. Gadgil: I want notice.

Shri V. C. Kesava Rao: May I know how many are I.N.A. men?

The Honourable Shri N. V. Gadgil: I want notice of that question.

Prof. N. G. Ranga: Is any effort made to give preference to these people who come through the Employment Exchange in preference to those who come independently?

The Honourable Shri N. V. Gadgil: I also want notice of this question.

Dr. V. Subramaniam: Is it the policy of the Government to recruit only through this agency?

The Honourable Shri N. V. Gadgil: It is so obvious from the figures supplied that as many were recruited from outside also.

Shri B. P. Jhunjhunwala: Were there any applicants for military service also and were there ex-servicemen also?

The Honourable Shri N. V. Gadgil: From all Ministries; possibly Defence Ministry also included.

Shri C. V. Alagesan: Is it a fact, Sir, that in the provinces only such candidates as come through the Employment Exchange are accepted and others are not accepted?

The Honourable Shri N. V. Gadgil: I cannot say what is happening in the provinces.

Begum Aizaz Rasul: Are women registered in the Employment Exchanges and if so, how many of them have been given employment?

The Honourable Shri N. V. Gadgil: I want notice. They cannot be excluded anywhere now.

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&g! 1P! ^ z2B1z2B! z! ±2Mz/D! PT! ; B42zB! 1/z4E! «WM±2Az12PBa! zmz2±zMHE! TP/APBaW±1z12PB! MD! 2B1E2/Ea1E4! ±PAz±! 1/z4E/ah

Gg! 1P! P/ZzB2aE! E° C2M21a! PT! ; B42zB! ZPP4a! z1! ±PAz±! E° C2M212PBa! P/! Tz2/ah! zB4

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QCED! CzmE! z±aP!«z/12A2«z1E4! 42/EA1±D! 2B! 1CE! TP±±PL 2BZ! 2B1E/Bz12PBz±! Tz2/a! zB4! E° C2M212PBa! 4W2BZ! 1CE! ±za1! 1L P! DEz/a§

&g! ?/212aC! F^ «2/E! F° C2M212PBl! 8D4BED'l'! CE±4! T/P^ ! b&a1!] z/AC! 1P! I1C =«/2±! &I50h

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QCE! ; B42zB! «zm2±2PB! z1! 1CPaE! E° C2M212PBa! 2BA±W4E4! mz/2PWa! 21E^ a! PT! ; B42zB! ZPP4a! «z/12AWz/±D! CzB42A/zTla! zB4! a^ z±! aAz±E! zB4! AP11zZE! 2B4Wa1/D!Hk/P4WA1a'

f C2±E! 21! 2a! BP1! «Paa2MHE! 1P! zaaEaa! 1CE! E° zA1!/EaW±1a! PT! i PmE/B^ EB1ya! zA12» m212Ea! 2B! 1C2a!/EZz/41! 21! ^ zD! ME! zaaW^ E4! 1Cz1! za! 1CEaE! E° C2M21a! z11/zA1E4! z! Z/Ez1! 2Ez±! PT! z11EB12PB! zB4! CWB4/E4a! PT! 1/z4E! EB_W2/2Ea! L E/E! CzB4±E4! z1! 1CEaE! E° C2M212PBal! 1Cz1! 1CE! «WM±2A21D! aP! Z2mEB! Cza!/EaW±1Th4! 2B! 1CE! 2^«/PmE^ EB1! PT! ; B42z"a! 1/z4E! 2B! 1CEaE! zB4! P1CE/! AP^ ^ P4212Ea'! '! "

;! ^ zD! 44! TP/! 1CE! CPBPWzMHE! ^ E^ ME/"a! 2B'TP/^ z12PB! 1Cz1! i PmE/B^ EB1! z/E! z±aP! APBa24E/2BZ! 2B! 1C2a! APBBEA12PB! «/P«Paz±a! ^ z4E! 2B! 1CE! 8C/2?z^!-P^» ^ 211EEya!/E«P/13

&g! 1P! aE1! W«! aCPL/PP^ a! 2B! Q/z4E! - P^ ^ 2aa2PBE/ay PT!2AEal! zB4

Gg! 1P! 4Ea«z1AC! 4E±EZz12PBa! 1P! =^ E/2Az! zB4! - zBz4z! L21C! z! m2EL! 1P zA_Wz2B12BZ! 1CPaE! APWB1/2Ea! L21C! 1CE! _Wz±21D! zB4! zmz2±zM2±21D! PT 1CE! «/P4WA1a! PT! ; B42zya! z/1a! zB4! CzB42A/zTla'

9zB42l!] WJWl! ?2Cz/2rz2?Cz/Zzmz§f Cz1! 2±! 1CE! z^ PWB1! PT! E° «EB421WE! 2BAW/E4! zBBWz±±D! MD! 1CE! i PmE/B^ EB1! PT! ; B42z! 2B! 1C2a! APBBEA12PB%

QCE! x PBPWzMHE! 8C/2—'! +'!>EPZDH ;! z^! z'Tz24! ;! L2±! zaJ! TP/! BP12AE! PT! 1Cz1'

8C/2 x '! q'! —z^ z1C§ x zmE! zBD! a1E«a! MEEB! 1zJEB! TP/! «/P«E/! z4mE/12aE^ EB1! PT! =DWmE42A! ^ E42A2BEa! 2B! TP/EZZB! APWB1/2Ea% '

Mr. Speaker: Need not be answered.

Prof. N. G. Ranga: Has the attention of the Ministry been drawn to the Resolution passed by the Cottage Industries Board at its first meeting to the effect that a Central Emporium should be established here and Directories of Cottage Industrial products which may be suitable for other countries should be published and a Committee to be appointed to recommend to Government what commodities should be encouraged for export from this country?

The Honourable Shri K. C. Neogy: Yes, and the matter is under examination.

Shri H. V. Kamath: Is it a fact that the Honourable Minister recently said that the Ayurvedic system is held in high esteem in foreign countries, and in the light of that would he not take steps for advertising the same in foreign countries?

Mr. Speaker: It is a suggestion for action.

Shri S. V. Krishnamoorthy Rao: Are there any Information Services attached to our Embassies to advertise information regarding our production in India, as the American Information Service is doing here?

The Honourable Shri K. C. Neogy: Yes, I have stated what is being done in the foreign countries where we have trade organizations.

Shri S. V. Krishnamoorthy Rao: Have they show rooms attached?

The Honourable Shri K. C. Neogy: I do not think so, but they are going to be started.

Shri Deshbandhu Gupta: Will Government encourage private efforts in publicising Indian products in foreign countries?

The Honourable Shri K. C. Neogy: If private organizations are set up for publicising Indian products, Government will help them.

Shri Mihir Lal Chattopadhyay: May I know the total number of countries in which we have Trade Commissioners?

Dr. V. Subramaniam: Is there any publicity given for Khadi and Indian Saries in foreign countries?

Mr. Speaker: I do not think it need be answered.

ISSUE OF IMPORT AND EXPORT LICENCES

*305. **Pandit Mukat Bihari Lal Bhargava:** (a) Will the Honourable Minister of Commerce be pleased to state the basis and principles on which the Government of India are issuing Import and Export licences in favour of different applicants at present?

(b) What percentage of such licences goes to those who have already been in the field and what percentage goes to the new-comers?

(c) What change in policy do Government of India intend to make in order to ensure a fair deal to all and to create greater confidence and satisfaction in the general public?

The Honourable Shri K. C. Neogy: (a) and (b). I lay on the table a statement giving the requisite information.

(c) Government of India consider that the present policy followed in respect of both import and export trade control is working satisfactorily and as such they do not contemplate any change in the policy for the present.

Statement showing the basis and the principles on which the Government of India are issuing Import and Export Licences in favour of different applicants

Imports.—All commodities are classified under the following four categories for I.T.C. purposes :

(1) Those covered by Open General Licence.

(2) Those that are licensed liberally.

(3) Those that are licensed subject to monetary ceilings.

(4) Those for which no licences are issued.

2. At the beginning of every half year a review is made of our foreign exchange position and the distribution of commodities between the above four categories is based on this review. A notice is issued inviting applications for licences and the licensing policy for each commodity is clearly specified in this notice. I place below a copy of this notice issued for July-December, 1948 period which gives in detail the licensing procedure.

3. It will be noticed that, generally speaking, with respects to imports from soft currency countries, all essential articles are either on O.G.L. or on the liberally licensed list. These include capital goods and machinery, industrial raw materials like chemicals, coal tar dyes, petroleum and petroleum products, electrical goods and accessories and such essential consumer items as milk, drugs and medicines, hardware, paper and stationery, etc. The hard currency position being difficult, it has not been possible to issue licences liberally for imports from hard currency countries except in respect of capital goods and machinery and lubricating oils. As for other articles, imports from hard currency areas are far more restricted than those from soft currency countries.

Only a few articles like cut and polished diamonds and jewellery have been placed on the prohibited list even in respect of soft currency areas, whereas for hard currency imports a very large number of consumer goods have been placed on this list. For example, paper and stationery, fountain pens and thermos flasks, refrigerators and completely assembled cars, are prohibited from dollar areas. For items not falling in (1), (2) and (4) licences are issued subject to monetary ceilings.

4. In the actual issue of licences, applications are divided into three categories :

(1) Applications from manufacturers requiring raw materials or semi-finished goods for their industries.

(2) Applications from established importers.

(3) Applications from new-comers.

5. In the case of actual consumers, licences are issued for raw materials and semi-finished articles required by them for their manufactures on the basis of their estimated requirements. The applicants are required to state the actual or estimated consumption of these raw materials, and licences are issued on the basis of these estimates.

6. For the purpose of licensing, established importers have been defined as those who have imported the commodity during any of the years between 1937-38 and 1947-48. Licences are issued to them on the basis of their past imports of that particular commodity. The applicants are required to furnish evidence of Customs bills of entry showing their actual import during any one year between 1937-38 and 1947-48.

7. In the case of actual consumers or established importers no specific time-limit is laid down for the receipt of applications from them. The applications are considered as and when they are received. New-comers applications are entertained only for those commodities for which there is a substantial monetary ceiling fixed. The commodities for which new-comer licences are issued are specified in the notice issued at the beginning of the half year. Licences are issued to new-comers liberally for those articles which are to be liberally licensed. Applications for these liberally licensed items can be made at any time. In the case of articles restricted by monetary ceilings applications are invited up to a prescribed date. Generally speaking, 10 per cent. of the monetary ceiling is reserved for new-comers in respect of those restricted items for which the monetary ceiling fixed exceeds Rs. 10 lakhs. Licences to new-comers have been issued during July-December, 1948 mainly on the following principles :

(1) The applicants were dealers (although not importers) in the same line of trade for which they apply for import licences or in an allied line.

(2) There was evidence to show that they were in touch with foreign suppliers.

(3) That the applicants have paid income-tax and therefore presumed to have sufficient financial standing to make use of the new-comer licences.

8. The procedure stated in the above paragraphs applies generally to all commodities with two exceptions:

(i) Licences for capital goods for specific projects are issued in consultation with other Ministries responsible for the planned development of the industry concerned or after discussion at a fortnightly inter-Ministerial meeting in the case of unplanned industries.

(ii) Licences for steel, non-ferrous metals and machine tools are issued by officers of the Ministry of Industry and Supply mainly:

(1) on the basis of offers of supply from foreign countries and

(2) after consideration of supply position in as well as the internal distribution of these commodities in India.

9. A further change recently made in the licensing procedure is that except in the case of licences for liberally licenced commodities, the applicant is required to produce a certificate from the Income-tax Department, that he has been regularly making his returns of income and giving all reasonable facilities for the assessment and collection of income-tax to which he is liable.

Exports.—For the purposes of licensing of exports, the controlled commodities, as enumerated in the Schedule annexed to the Export Trade Control Notification, consist of four parts—(A), (B), (C) and (D). Articles in part (A) are in extreme short supply in the country and are not allowed to be exported. Those in part (B) and (C) are at present controlled by the Ministries of Food and Industry and Supply respectively and licences are granted by them. Those covered by part (D) are controlled by the Ministry of Commerce.

2. The general policy for allowing exports of controlled commodities in part (D) is to grant licences on the established shippers' basis, i.e., on the basis of exports of the commodity effected by the applicant to the destination concerned during a fixed basic period. In the exportable surplus of which has fallen considerably in respect of such commodities, except raw jute since (the Partition of the country), a percentage of the total quota available for export is reserved for new-comers, i.e. those intending exporters who have connexion with the commodity concerned but who have not effected any exports during the basic period. The percentage reserved for new-comers depends upon (a) the nature of the commodity, i.e. whether it is a commodity in the export of which a large number of new-comers connected with it have not yet entered and deserve encouragement, (b) the total quota available for export, i.e. whether the quantity available is sufficiently large to accommodate the selected percentage of new-comers, and (c) the nature of the basic period fixed, i.e. whether the basic epriod fixed is fairly old so that a larger number of new-comers who would have normally entered trade since then have to be accommodated. The basic period fixed for oils and oilseeds as well as for jute goods in January, 1947 to June, 1948. In view of the late period selected as well as in view of the fact that in case of oils and oilseeds the total quotas available have been reduced considerably, while in the case of jute goods, most of the traders connected with the jute goods business have already entered into export trade, the share reserved for new-comers is 10 per cent. In the case of cloth, however, where the basic period is generally 1941-42, the porcentage reserved for new-comers is 25.

3. Apart from commodities which are licensed on an established shippers' basis, there are other commodities which are either allowed to be exported by manufactnrers on the basis of their production or freely on the basis of business done with overseas buyers. There are other commodities, *e.g.*, hosiery which are allowed to be exported by established shippers, by new-comers and by manufactorers. The general policy in regard to export of several commodities to hard-currency areas is to allow exports freely on the basis of business done with overseas buyers.

4. Exports to Pakistan are also licensed within the broad framework of this policy, i.e., exports are eihter allowed freely as in the case of jute goods or under special Governmental arrangements as in the case of cotton cloth, or on the established shippers—new-comers principle as in the case of matches and mustard oil, which are also exported by manufacturers. There are two outstanding features of licensing of exports to Pakistan. Firstly, the volume is very large, as can be seen from the fact that the total volume of work at the Headquarters on account of Pakistan so far since the 1st March, 1948, has exceeded the total volume of work in respect of all other countries put together. Secondly, there are no independent and reliable records of pre-partition exports and exporters, apart from the fact that there was no clearly defined class of pure exporters as in the case of other countries.

The licensing policy has, therefore, to be somewhat elastic. For example, in the case of mustard oil 40 per cent. of the quota is reserved for crushers, who had exported the oil to Eastern Pakistan before the imposition of control, 50 per cent. for established exporters who had exported mustard oil to Eastern Pakistan prior to the imposition of control and 10 per cent. to other new exporters who had exported mustard oil to Eastern Pakistan after the imposition of the control against licences issued to them as new-comers.

5. Recently it has also been decided that licences should not be granted to those firms who have been evading income-tax or are not regularly submitting income-tax returns. Applicants for licences, therefore, have to produce certificates of Income-tax Verification in the prescribed form before the licensing authorities. Those classes of applicants, however, who are specifically exempt from income-tax are also exempt from this requirement.

Shri H. V. Kamath: Are any of our art treasures being exported to foreign countries?

The Honourable Shri K. C. Neogy: I am afraid I have no information.

Shri Mahavir Tyagi: What authority issues these licenses and at what places? Where are these offices located?

The Honourable Shri K. C. Neogy: The principal offices are at Delhi. We have two Chief Controllers, one on the Exports and the other on Imports side. Then at three port towns of Bombay, Calcutta and Madras there are Officers and organizations who also issue licenses.

Shri Mahavir Tyagi: Is it a fact that permits and licenses to those persons who have not been importing for the last 11 years have been refused?

The Honourable Shri K. C. Neogy: If the honourable member would bring these facts to my notice, I will examine them.

There may have been occasions for such refusal.

Shri Mahavir Tyagi: I want to know if it is the policy of the Government to allow imports to those persons who are dealing in the trade?

The Honourable Shri K. C. Neogy: That is the general policy.

Prof. N. G. Ranga: When was this policy according to which these licenses are being issued last reviewed and were any changes made?

The Honourable Shri K. C. Neogy: The policy comes up for revision every six months.

Shri Mahavir Tyagi: Have any cases of corruption come to the notice of the Honourable Minister from Calcutta or other Port Offices?

The Honourable Shri K. C. Neogy: Allegations were received and certain cases were taken up by the Police.

Shri Mahavir Tyagi: Why did the Government not think it feasible to allot this work to a Board or Committee to decide the cases.

Mr. Speaker: He is arguing it.

Pandit Mukut Bihari Lal Bhargava: I want to know whether any percentage is fixed in respect of import licenses of luxury goods, consumer goods and capital goods—I mean percentage of imports made in India?

The Honourable Shri K. C. Neogy: This is too general a question. Certain percentages are fixed for certain classes of commodities. If my honourable friend wants any definite information, I hope he will give me notice.

Shri Raj Bahadur: Will the Honourable Minister state the number of licenses given to newcomers during last year?

The Honourable Shri K. C. Neogy: I am afraid I require notice.

Shri Raj Bahadur: What are the criteria discrimimating one application from another?

Mr. Speaker: Need not be answered.

Prof. N. G. Ranga: Is it a fact that the 10 per cent. that has been reserved for new-comers has been completely allotted to those applicants who have applied for it or was there any lacunae in it?

The Honourable Shri K. C. Neogy: I think the entire quantity was allotted as far as I remember, subject of course to certain conditions being satisfied by individual applicants.

VIOLATION BY SHIPPERS OF BAN ON EXPORT OF GUNNY SACKS TO SOUTH AFRICA

*306. **Pandit Mukut Bihari Lal Bhargava:** (a) Will the Honourable Minister of Commerce be pleased to state whether Government are aware that the Shippers have broken the Indian and Ceylonese ban on the export of gunny sacks to South Africa by re-exporting them from Singapore and Hong Kong in the months of September and November, 1948?

(b) Have the Government of India made any enquiries into the matter and if so, with what results?

(c) What steps have so far been taken by the Government of India against such shippers with a view to avoid a recurrence of such events?

(d) What measures have the Government of India taken or intend to take to ensure that such events do not occur in future?

The Honourable Shri K. C. Neogy: (a) and (b). Reports have been received from time to time that jute goods have reached South Africa from Italy, Singapore and Hong Kong. Enquiries are being made through the various appropriate channels with a view to verifying these reports.

(c) Government are investigating whether any Indian exporters have been responsible for the shipments of jute goods which were alleged to have taken place from Italy, Hong Kong and Singapore to South Africa. Meanwhile, exports of jute goods to Singapore and Hong Kong have been restricted and firms suspected of having taken part in such activities in India have been blacklisted.

(d) The following measures have been adopted to ensure that jute goods exported from India to various countries are not subsequently re-exported to South Africa:

(1) Before quotas for various importing countries are released, the Governments of those countries are asked to give a guarantee that the goods will not in any circumstances be allowed to be re-exported to South Africa;

(2) In fixing destinational quotas, care is taken to see—

(i) that the quantities fixed for individual destinations are just sufficient to meet their own domestic requirements; and

(ii) that these countries receive only the qualities which they were accustomed to take in the past.

(3) In regard to allocations in excess of the destinational quota, a guarantee is taken from the importing government that the consignment will be used for home consumption and not for re-export. A bond is also required to be executed by the export-

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Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Yes a privately owned building has recently been purchased in New York at a cost of dollars 3,50,000 to provide accommodation for the Permanent Representative with the United Nations, the Indian Consulate General and other establishments of the Government of India which were located in rented buildings.

(b) Dollars 66,000 per annum.

(c) Offices of the permanent representative of the Government of India with United Nations, the Consul General for India, the Indian Seamen's Welfare Officer, the Indian Information Services, and part of Indian Supply Mission, were scattered in different parts of New York. The accommodation available for some of these offices was also inadequate. The building now purchased will provide accommodation for all offices in New York with the possible exception of the Seamen's Welfare Centre which, for the convenience of sailors, will have to be located near the docks.

Financially the purchase of this building will result in a recurring saving to Government as an amount representing only six years rental has been paid as the capital cost of acquisition. This scheme had the approval of the Standing Committee of the Legislature attached to the Ministry of External Affairs and Commonwealth Relations in February last.

Shri H. V. Kamath: Who was the owner of this property prior to our purchase?

Dr. B. V. Keskar: I have not the name of the owner with me. If the honourable member wants it I will supply it.

Shri H. V. Kamath: Who negotiated the purchase on behalf of India?

Mr. Speaker: What is the point of this question?

Shri H. V. Kamath: Because I am coming to the next one.

Mr. Speaker: Then he may put the next question straight away.

Shri H. V. Kamath: It might be rather abrupt.

Mr. Speaker: It takes a rather long time.

Shri H. V. Kamath: I would rather not put it, then.

Prof. N. G. Ranga: Why was this question not placed before the Standing Finance Committee before this expenditure was incurred?

Dr. B. V. Keskar: I think it must have come at some stage or other before the Standing Finance Committee.

Prof. N. G. Ranga: It has not come.

Mr. Speaker: He obviously does not know.

IMPORT OF RICE-BRAN FROM BURMA

*308. **Prof. N. G. Ranga:** Will the Honourable Minister of Commerce be pleased to state:

(a) whether it is a fact that there is plenty of rice-bran in Burma, selling at low prices and not in demand for local needs;

(b) whether Government are aware of India's urgent need of it as cattle food; and

(c) if so, whether Government propose to take any special steps to facilitate its import into India?

The Honourable Shri K. C. Neogy: (a) There is an exportable surplus of rice-bran available in Burma. But the price would not appear to be low considering that sales have been made to the U.K. at £ 11 per ton.

(b) and (c). The Government of India are consulting the Provinoial and State Governments in the matter, and if there is a sufficient demand for this cattle-feed, they will consider the question of taking special steps to facilitate its import into India.

INDIAN LABOURERS IN BURMA BEING THROWN OUT OF EMPLOYMENT

*309. **Prof. N. G. Ranga:** Will the Honourable the Prime Minister be pleased to state:

(a) whether the attention of Government has been drawn to the A.P.I. press report of 23rd December, 1948 from Madras published in the *Statesman* dated the 25th December 1948 that nearly two lakhs of Indian labourers are likely to be thrown out of employment as a result of the nationalisation of land in Burma; and

(b) whether Government have advised the Indian Delegation going to Burma headed by Dr. Pattabhi Sitaramayya to study this matter and to persuade the Burmese Government to prepare schemes for providing these labourers with alternate employment?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Yes, Sir.

(b) There is no reason to believe that this press report is true. It is not expected that the Land Nationalisation Act in itself will result in large scale unemployment of Indian labourers in Burma. The question of persuading the Burma Government to take the action suggested does not therefore arise. The Burma Government have in fact given an assurance that, in the distribution of resumed lands under the Act, no discrimination will be made against Indians, on grounds of nationality. The visit of the delegation led by Dr. Pattabhi Sitaramayya has been postponed indefinitely at the request of the Government of Burma.

Prof. N. G. Ranga: Is it a fact that a large number of our Indian workers has been anxious to come back to our Country, and they are only awaiting the necessary shipping facilities?

Dr. B. V. Keskar: I may inform my honourable friend that our Ambassador in Burma has standing orders that any Indian labourer or labourers who want to come to India shall be provided, if they are not able to afford it, with free passage and all other facilities.

Shri M. Ananthasayanam Ayyangar: May I know from the Honourable Minister if the news that appeared in this morning's papers that the Burma Government have postponed the question of the nationalization of land is correct?

Dr. B. V. Keskar: I have no information on the point.

TREATY WITH UNITED STATES OF AMERICA

†*310. **Seth Govind Das:** (a) Will the Honourable the Prime Minister be pleased to state whether it is a fact that a treaty with the United States of America is under discussion with the American Embassy officials?

(b) If so, what stage has it reached?

† Answer to this question laid on the table, the questioner being absent.

The Honourable Shri Jawaharlal Nehru: (a) Yes, a treaty of Friendship, Commerce and Navigation is being considered.

(b) A draft treaty presented by the American Embassy has been under discussion between the officers of the Ministries of Commerce, Finance and External Affairs and the appropriate officers of the American Embassy. A questionnaire was prepared in regard to the points on which clarification was considered necessary and presented to the American Embassy who referred it to Washington. Replies to these questions are awaited.

REPATRIATION OF UNEMPLOYED INDIAN LABOURERS FROM BURMA

†*311. **Seth Govind Das:** (a) Will the Honourable the Prime Minister be pleased to state whether Government are aware of a resolution passed by the All Burma Indian Congress urging the Government of India to formulate a scheme for the early repatriation of unemployed Indian labourers from Burma?

(b) If so, what action do the Government of India propose to take in that direction?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Yes, Sir.

(b) No scheme for the early repatriation of unemployed Indian labourers from Burma is considered necessary. Our Ambassador is authorised to arrange for the return passages of such Indians in Burma as are found to be destitutes and are unable to meet the expenses themselves.

PORTUGUESE POSSESSIONS IN INDIA

†*312. **Seth Govind Das:** (a) Will the Honourable the Prime Minister be pleased to state whether the attention of Government has been drawn to the statement recently made by the Governor of Portuguese Possessions in India, that Portuguese India will always be Portuguese?

(b) Is it a fact that there are negotiations going on between the two countries on this question?

(c) If so, what is the result of those negotiations?

The Honourable Shri Jawaharlal Nehru: (a) Yes.

(b) and (c). I regret to say that no progress has been made in this matter. The Government of India's policy in regard to foreign possessions in India, as has been stated previously, is wholly in consonance with the Jaipur Congress Resolution. We believe that for a variety of reasons it is natural and proper that all foreign possessions in India should be united to India. We propose to give effect to this policy through friendly discussions with the Foreign Powers concerned. It has been difficult to have direct communications with the Portuguese Government because there were no direct contacts between the two Governments. Now that diplomatic relations have been established, these negotiations will take place.

REVISION OF RULES OF ALLOTMENT OF GOVERNMENT QUARTERS

*313. **Dr. V. Subramaniam:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that certain offices

† Answer to this question laid on the table, the questioner being absent.

were sent away from Delhi/Simla during the last war and that the lien of the staff of such offices on permanent Government quarters was forfeited as a result thereof?

(b) If the answer to part (a) above be in the affirmative, what steps have been taken to restore their lien?

(c) Is it a fact that those Government servants who were sent away to Calcutta with certain Secretariat offices were restored their seniority for purposes of eligibility to Government accommodation?

(d) Is it a fact that the Accommodation Advisory Committee decided that seniority of all Government servants who were affected as above should be revised with reference to their original date of appointment and if so, why have no orders been issued revising the entitlement rules?

The Honourable Shri N. V. Gadgil: (a) Yes.

(b) The matter is under active consideration in consultation with the Accommodation Advisory Committee and other Ministries.

(c) Yes. The concession was given only to those Government servants who were sent away on duty in a Secretariat office in Calcutta prior to 1st April 1945.

(d) No. The Accommodation Advisory Committee made certain suggestions for the consideration of this Ministry. After very careful consideration it has been decided to amend certain rules which are expected to be issued soon.

Shri O. V. Alagesan: Is not it a fact that these offices were removed at the instance of the Government of India and the officers are not responsible for this?

The Honourable Shri N. V. Gadgil: That is true.

Dr. V. Subramaniam: How many quarters are still necessary for Government officials?

The Honourable Shri N. V. Gadgil: All the buildings constructed by this Ministry are exclusively allotted to Government officials.

Dr. V. Subramaniam: My question is how many quarters are still necessary for allotment to Government officials?

The Honourable Shri N. V. Gadgil: There are yet 17,000 officers of all categories still to be accommodated.

Shri O. V. Alagesan: Will Government put the other officers on the same footing as the Secretariat officers?

The Honourable Shri N. V. Gadgil: Not exactly on the same footing but some equitable rules are being worked out and they will be issued shortly.

Factories for Manufacture of Basic Power Plants

*314. **Prof. N. G. Ranga:** Will the Honourable Minister of Works, Mines and Power be pleased to state:

(a) whether the Government of Madras has requested the Government of India to locate one of their basic power plant manufacturing factories in Madras; and

(b) what are the plans of the Government of India for starting such factories?

The Honourable Shri N. V. Gadgil: The question should have been addressed to the Honourable Minister of Industry and Supply. It has accordingly been transferred to the list of questions for 15th February, 1949 when the Honourable Minister of Industry and Supply will answer it.

AGREEMENTS BETWEEN INDIA AND PAKISTAN

*315. **Prof. N. G. Ranga:** (a) Will the Honourable the Prime Minister be pleased to lay on the table of the House, copies of the Inter-Dominion Agreement so far reached after the division of the Country, regarding:

(i) railway communications;

(ii) refugees;

(iii) evacuees' properties;

(iv) abducted women; and

(v) commerce and trade?

(b) Is there any officer or department or directorate specially entrusted with the task of watching the progress of the implementation of these agreements?

(c) Is such progress being periodically examined by the whole Cabinet or any sub-committee thereof?

The Honourable Shri N. Gopalaswami Ayyangar (Minister for Railways and Transport): (a) A statement showing the Inter-Dominion Agreements reached with Pakistan together with copies† of these agreements is placed on the table of the House.

(b) and (c). The Commonwealth Relations Wing in the Ministry of External Affairs and Commonwealth Relations is responsible for watching progress in the implementation of the Inter-Dominion Agreements and co-ordinating all action connected therewith. Matters requiring reference to the Cabinet are, in the first instance, examined by a Committee of Secretaries specially set up for the purpose, and later dealt with by the Cabinet as a whole or by a sub-committee of the Committee, depending on the nature of the cases concerned.

Statement showing the Inter-Dominion agreements entered into with Pakistan

1. Agreement reached in December, 1947 on matters relating to refugees.

2. Agreement reached in January, 1948 on food supplies.

3. Agreement reached in March, 1948 on food supplies.

4. Agreement reached in March, 1948 regarding recovery of abducted women, exchange of prisoners and other matters relating to refugees.

5. Agreement, dated 31st March, 1948 in regard to modifications in the monetary agreement between India and Pakistan.

6. Agreement reached at Calcutta in April, 1948 on all issues outstanding at that time between the two Dominions, particularly in regard to measures for stopping the flow of refugees from East Bengal to West Bengal and *vice versa*.

7. Agreement reached in May 1948 at Officers' Level Conference regarding outstanding financial matters.

8. Agreement reached at Karachi in May 1948 on mutual supply of essential commodities required by one from the other and further agreements on clarification and arrangements for fulfilment thereof entered into in October, 1948 and November, 1948.

9. Agreement, dated 30th June, 1948 relating to payments between the two Dominions.

* Printed as Appendix to the day's Debate.

10. Agreement reached in July, 1948 regarding evacuees' property.

11. Agreement reached in July, 1948 on food supplies.

12. Agreement on recovery of abducted women reached in September, 1948 and modified further in November, 1948.

13. Agreement reached in November, 1948 at Officers' Level Conference regarding outstanding financial matters.

14. Agreement reached at New Delhi in December, 1948 on all outstanding issues between the two Dominions, political, economic, financial, boundary disputes, partition matters, division of stores, etc. (Copy already placed on the table of the House in reply to Shri R. K. Sidhva's question No. 85 on 3rd February, 1949.)

15. Karachi (January, 1949) agreement regarding evacuees' property and other issues arising out of the agreement reached in December, 1948.

Shri H. V. Kamath: Is it a fact that the work of rescue and restoration of abducted women has been for some time practically at a standstill?

The Honourable Shri N. Gopalaswami Ayyangar: That is so. Very little has been done during the last two or three months.

Prof. N. G. Ranga: Why is it so?

The Honourable Shri N. Gopalaswami Ayyangar: Because we were negotiating a new set of arrangements with Pakistan for the purpose of facilitating the work. The conclusions were reached only a few weeks ago.

GOVERNMENT QUARTERS OCCUPIED BY REFUGEES

*316. **Shrimati Dakshayani Velayudhan:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state the number of houses allotted to Government servants in the year 1948?

(b) How many of them are being occupied by the allottees?

(c) How many of them are not occupied by the allottees?

(d) Does the Estate Office enquire whether the houses are vacant before allotments are made?

(e) How many houses for Government servants under the Estate Office are being occupied by refugees?

(f) Has the Estate Office issued notices of eviction to these refugees?

(g) In how many cases has the Estate Office issued eviction notices more than once?

(h) Is rent being collected regularly from the occupants of these houses?

The Honourable Shri N. V. Gadgil: (a) Delhi 4,860, Simla 260, Bombay 168, Calcutta 409;

Total 5,697.

(b) Delhi 4,001, Simla 260, Bombay 167, Calcutta 409;

Total 4,837

(c) Delhi 859 Simla *NIL*, Bombay one, Calcutta *NIL;*

Total 860.

(d) During normal times allotment of houses is always made after they become vacant. At present, however, in order to avoid houses being occupied by unauthorised persons, allotments are made in advance of actual vacation.

(e) As in (c) above.

(f) The reply is in the affirmative so far as Delhi is concerned. As regards Bombay an ejectment suit has been filed.

(g) None.

(h) What is recoverable from refugees in unauthorised occupation of Government Quarters is damages and not rent. These are being recovered from them.

Shri H. V. Kamath: Does the Minister propose to utilise some of the houses of the Rulers of States which have been requisitioned by Government for this purpose?

Mr. Speaker: This question was put two days back.

Shri H. V. Kamath: I did not put it this way.

Mr. Speaker: Anyway it is a suggestion for action and not asking for information.

Shrimati Dakshayani Velayudhan: Is it not a fact that some of the officials of the Estate Office and even policemen approached the refugees, who occupied government quarters which are allotted to government servants, for eviction after issuing eviction notices?

The Honourable Shri N. V. Gadgil: What is the information asked for?

Mr. Speaker: In cases of houses allotted to government servants, the complaint seems to be that the Estate Office officials and policemen approached the occupants for evicting the refugee occupants.

The Honourable Shri N. V. Gadgil: That is not true. The houses are allotted to government servants but the government servants are permitted under the present circumstances to share their accommodation with refugees.

Shrimati Dakshayani Velayudhan: I want to know whether it is a fact that these people approached the refugees to get illegal gratification?

The Honourable Shri N. V. Gadgil: I cannot say how far it is true but if any complaint is brought to my notice I shall certainly consider it.

Shri Mahavir Tyagi: Have cases come to the notice of the Honourable Minister where even members of the Constituent Assembly have sublet their houses allotted to them?

The Honourable Shri N. V. Gadgil: I hope I will not be asked to give a frank, correct and complete answer to that question.

Mr. Speaker: It is a very inconvenient question.

COUNTRIES INVITED TO ASIAN CONFERENCE

*317. **Shri Biswanath Das:** Will the Honourable the Prime Minister be pleased to state the number of countries that were invited and those that accepted India's invitation to the Asian Conference held in New Delhi in January 1949?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): Nineteen countries were invited to the Conference on Indonesia and eighteen of them whose names are given below accepted the invitation:

(1) Afghanistan. (2) Iran. (3) Egypt. (4) Ethopia. (5) Saudi Arabia. (6) Syria. (7) Lebanon. (8) Iraq. (9) Yemen. (10) China. (11) Burma. (12) Siam. (13) Nepal. (14) Pakistan. (15) Ceylon. (16) Australia. (17) New Zealand. (18) Philippines.

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Shri Biswanath Das: May I know why countries like Egypt, New Zealand and Australia were invited to the Conference?

The Honourable Shri Jawaharlal Nehru: Because those countries were intimately interested in it. For instance, Australia is one of the countries which took considerable interest in the Indonesian problem at the United Nations

Shri H. V. Kamath: Before the Soviet Foreign Ministry issued the statement to which I referred earlier, were there any diplomatic contacts or exchanges between the Soviet Ambassador here and our Foreign Minister on this issue?

The Honourable Shri Jawaharlal Nehru: No, Sir.

Mr. Tajamul Husain: Was any reason given by Turkey for not attending the Conference?

Mr. Speaker: That has been answered already.

Mr. Tajamul Husain: The Honourable the Prime Minister has not given the reason.

The Honourable Shri Jawaharlal Nehru: We cannot ask the reasons for another Government's action. In a very polite and friendly answer they said that they were entirely in agreement with the objects of the Conference but they regretted they could not attend it.

SHIFTING OF OFFICES OF CENTRAL WATER POWER, IRRIGATION AND NAVIGATION COMMISSION ETC. TO NASIK

***318. Shri B. N. Munavalli:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state whether it is a fact that Government propose to shift the offices of the Central Water Power, Irrigation and Navigation Commission, the Central Electricity Commission and the Central Board of Irrigation from Delhi to Nasik and if so, for what reasons?

(b) Have Government decided to construct buildings for the said offices and their staff in Nasik?

(c) If so, what is the estimate of expenditure towards the construction of the said buildings?

(d) Was the estimate of expenditure for the said buildings placed before the Standing Finance Committee and has its sanction been obtained?

The Honourable Shri N. V. Gadgil: (a) Yes. To ease the accommodation position in Delhi and Simla where these offices are located at present, it has been decided to shift these offices to Nasik.

(b) Yes.

(c) A rough preliminary estimate has been made.

(d) Not yet. The scheme will be placed before the Standing Finance Committee probably in March next when the detailed estimates have been fully worked out.

Shri O. V. Alagesan: Have Government in view the shifting of any other offices to important centres in the country?

The Honourable Shri N. V. Gadgil: The position is that the Government have appointed a sub-committee which is going into the question.

RECOMMENDATIONS OF PROFIT SHARING COMMITTEE

***319. Prof. N. G. Ranga:** Will the Honourable Minister of Labour be pleased to state:

(a) whether Government have adopted the recommendations of the Profit Sharing Committee; and

(b) what steps they propose to take to implement such of those recommendations as have been accepted?

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): (a) and (b). The recommendations of the Committee on Profit Sharing were placed before the Central Advisory Council of Labour which has been set up in accordance with Government's Industrial Policy Resolution of the 6th April 1948 to consider the question of Profit Sharing and other subjects arising from the Industrial Truce Resolution of December 1947. The Council considered the report and remitted it for further examination by the Committee on Fair Wages. Further action on the part of Government will be considered after the report of the Central Advisory Council is received.

Shri M. Ananthasayanam Ayyangar: May I ask if the Committee's report will be placed before the Standing Committee for Industries also as they are also interested?

The Honourable Shri N. V. Gadgil: This shall be noted.

Shri V. C. Kesava Rao: What are the industries that are asked by the Government to share their profits with labour?

The Honourable Shri N. V. Gadgil: The Government has appointed a Committee and all those matters are already there in the report of the Committee.

Shri B. Das: Will Government consult the Provincial Governments and the various industries affected before they come to any decision on the matter?

The Honourable Shri N. V. Gadgil: This will also be kept in mind.

Prof. N. G. Ranga: Were not the recommendations considered the other day at the recent Conference of Industrialists and others called by the Government?

The Honourable Shri N. V. Gadgil: I want notice of that.

Shrimati Dakshayani Velayudhan: Have those recommendations been made as an experimental measure?

Mr. Speaker: They are yet under investigation

Labour Welfare Officers in Assam

*320. **Srijut Rohini Kumar Chaudhuri:** (a) Will the Honourable Minister of Labour be pleased to state how many Labour Welfare Officers appointed by the Government of India are now functioning in Assam?

(b) What is the total approximate number of labourers working in factories, plantations, Railways and Steamer Services in Assam?

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power). (a) I would invite honourable member's attention to my reply to Question No. 223 put by him on the 8th February 1949.

(b)

	Numbers employed
Factories (1947)	56,113
Plantation (1947)	492,512
Assam Railways (1947-48)	31,201

The number of labourers employed in the Steamer Services in Assam is not readily available.

Srijut Rohini Kumar Chaudhuri: Labour Officers appointed may not be Labour Welfare Officers. May I ask the Honourable Minister whether any Labour Officers appointed by the Government of India are working in Assam?

The Honourable Shri N. V. Gadgil: It does not arise out of this.

INDIAN CONSUL-GENERAL AT KASHGAR IN SINKIANG

*321. **Shri Brajeshwar Prasad:** Will the Honourable the Prime Minister be pleased to state:

(a) the salary and emoluments fixed for our new Consul-General at Kashgar in Sinkiang; and

(b) whether the Consul-General is a permanent officer in the Ministry of External Affairs?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Officiating pay ... Rs. 800/ p.m. in the scale of Rs. 800-50-1150.

Foreign Allowance ... Rs. 700 p.m.

Free accommodation.

(b) He has been appointed on probation to a permanent post in the Indian Foreign Service on the recommendation of the Federal Public Service Commission. He was commissioned in the Army on 1st October, 1941 and his services were placed at the disposal of the late External Affairs Department from 4th June, 1945.

Prof. N. G. Ranga: Under whose control is this Sinkiang—under the Chinese Government or the Russian Government?

Dr. B. V. Keskar: Under the Chinese Government.

Shri H. V. Kamath: In what respects is this foreign allowance to which the Minister referred different from the representation allowance allowed to Ambassadors? Is it different in category or in name only?

Dr. B. V. Keskar: There is a sumptuary allowance allowed to Ambassadors, charge-d'affairs and such representatives and there is a foreign allowance for making up the difference in exchange and also probably the higher cost of living in foreign countries. Both are different things.

Shri H. V. Kamath: My reference was to representation allowance, not to sumptuary allowance. How far is it different from this foreign allowance? Is there a thing called representation allowance or not?

Mr. Speaker: Order, order. He probably wants notice.

Prof. N. G. Ranga: What is our means of communication with this place, Sinkiang? Is it by road or air?

Mr. Speaker: These are not matters within the special cognizance of the Minister.

The Honourable Shri Jawaharlal Nehru: We have had telegrams from there frequently.

GOVERNMENTS POLICY RE CONSTRUCTION OF MORE HOUSES

†*323. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state what is the policy of Government with regard to the construction of more houses?

† Answer to this question laid on the table, the questioner being absent.

(b) What steps have they taken to encourage private persons in this regard?

(c) What facilities have Government given so far as availability of steel, cement, iron and wood are concerned to private individuals?

The Honourable Shri N. V. Gadgil: The question should have been addressed to the Honourable Minister of Health and that it has accordingly been transferred to the list of questions for 14th February, 1949 when the Honourable Minister of Health will answer it.

ALL-INDIA RESERVE POOL OF ELECTRICAL GENERATING PLANTS

†*323. **Dr. P. S. Deshmukh:** (a) Will the Honourable Minister of Works Mines and Power be pleased to state what was the amount involved in the transactions concerning all India Reserve Pool of Electrical Generating Plants for the years 1947-48 and 1948-49?

(b) Was there any loss and if so, what is the amount involved?

(c) What is the value of the machinery made available to (i) Central and (ii) Provincial Governments?

(d) What is the value of machinery made available to (i) private firms and companies and (ii) private individuals during the years 1947-48 and 1948-49?

The Honourable Shri N. V. Gadgil: (a) The amount involved in the transactions concerning the Pool was as follows:

1947-48	Rs. 46·31 lakhs
1948-49	Rs. 79·39 lakhs (approximately)

(b) There was a net loss of 3·19 lakhs during the year 1947-48, which is, however, likely to be more than offset by the profits that will be realized on the subsequent transactions.

(c) and (d). A statement showing the value of plant sold to Central Government, Provincial Government (including State Governments and statutory bodies) and private companies is laid on the table of the House. No plant was sold to any private individual.

STATEMENT

Party to which Plant was sold	Value of plant sold during 1947-48 Rs.	1948-49 Rs.
Central Government organisations	7·93 lakhs	1·93 lakhs
Provincial Governments, State Governments and statutory bodies e. g. Damodar Valley Corporation	40·53 lakhs	14·62 lakhs
Private firms and Companies	14·84 lakhs	·12 lakhs

PLANTERS' ASSOCIATIONS AND LABOUR ORGANISATIONS OF TEA ESTATES

*324. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Commerce be pleased to state how many Tea Planters Associations exist in India?

(b) How many of them are registered bodies and what are their names?

(c) Are there any organisations of labourers working in the tea estates of India?

(d) If so, how many and what are their names?

† Answer to this question laid on the table, the questioner being absent.

The Honourable Shri K. C. Neogy: (a) Thirty-three.

(b) The information called for by the honourable member is being collected and will be placed on the table of the House as soon as possible.

(c) Yes.

(d) Four, according to available information. They are (1) Darjeeling Chiya Kaman Workers Union, B. N. Darjeeling; (2) Labour Front of All India Gurkha League, Darjeeling; (3) Estate Staff Association, Hardypet Volparai, Madras; and (4) South India Planters' Workers' Union, Coonoor. Full information as to exact number and names of organisations is being collected and will be placed on the table of the House as soon as possible.

Shri H. V. Kamath: Has the Honourable Minister any proposal in view to nationalise our tea plantations?

The Honourable Shri K. C. Neogy: I am afraid that does not rise out of this question.

Srijut Rohini Kumar Chaudhuri: Does the Honourable Minister mean to say that there are no tea planters' associations in Assam?

The Honourable Shri K. C. Neogy: I did not say that. Actually I did not give the names of the tea planters' associations. I give the names only of the labour organisations.

Shri Raj Bahadur: Can the Honourable Minister tell the number and proportion of Europeans on these tea planters' associations?

The Honourable Shri K. C. Neogy: I am afraid I want notice.

DISPOSAL OF APPEALS PENDING BEFORE PRIVY COUNCIL.

*325. **Srijut Rohini Kumar Chaudhuri:** Will the Honourable Minister of Law be pleased to state why the appeals pending before the Privy Council could not be heard by the Federal Court of India?

The Honourable Dr. B. R. Ambedkar: Appeals pending before the Privy Council could not be heard by the Federal Court because that Court does not have the necessary jurisdiction. The appeals are before the Privy Council and not before the Federal Court.

Srijut Rohini Kumar Chaudhuri: Is it a fact that these appeals will be heard in India by the Privy Council?

The Honourable Dr. B. R. Ambedkar: I have no such information.

Mr. Tajamul Husain: By when will all the appeals that are pending with the Privy Council be heard in India?

The Honourable Dr. B. R. Ambedkar: I have said I have no such information.

Mr. Tajamul Husain: May I know if there are Indian Judges on the Privy Council now?

The Honourable Dr. B. R. Ambedkar: I do not know; I must have notice of that question.

Mr. Tajamul Husain: Does India pay anything now towards the maintenance of the Privy Council?

The Honourable Dr. B. R. Ambedkar: It used to pay the salary of the Indian Judges.

Mr. Tajamul Husain: I am asking now—after Independence.

The Honourable Dr. B. R. Ambedkar: I must have notice.

Shri Deshbandhu Gupta: What is the number of the pending appeals, may I know?

The Honourable Dr. B. R. Ambedkar: So far as my information goes the number of appeals pending before the Privy Council is 187.

Shri L. Krishnaswami Bharathi: Is it in consonance with the attainment of Independence that India should allow appeals to the Privy Council.....?

Mr. Speaker: He is asking for opinion and arguing.

Pandit Thakur Das Bhargava: May I know how many of these are criminal appeals and applications?

The Honourable Dr. B. R. Ambedkar: I want notice.

Shri Mahavir Tyagi: When do you intend to suspend the Privy Council?

Mr. Speaker: Order, order.

REVISION OF RULES OF ALLOTMENT OF GOVERNMENT QUARTERS

*326. **Shri Damoder Swarup Seth:** Will the Honourable Minister of Works, Mines and Power be pleased to refer to the reply to my starred question No. 1045 asked on the 30th March, 1948 and state whether the rules of allotment of quarters to Government employees in Delhi have since been revised?

The Honourable Shri N. V. Gadgil: After very careful consideration it has been decided to make certain amendments to the Allotment Rules. Those amendments were recently discussed at a meeting at which all the Ministries of the Government of India were represented. The further suggestions made at this meeting are now under consideration and orders will issue shortly.

Shri H. V. Kamath: Is any Priority or Procedure List maintained for allotment purposes?

The Honourable Shri N. V. Gadgil: What sort of priority, may I have some idea about it?

Shri H. V. Kamath: Any sort of priority.

Mr. Speaker: That will be vague enough.

Shri H. V. Kamath: Does he have a list before him, showing the order of priority?

Mr. Speaker: He has said the matter is under consideration.

Shrimati Dakshayani Velayudhan: Has the Government any idea of the number of government servants who are staying in hotels in Delhi?

The Honourabe Shri N. V. Gadgil: There is no information immediately available of that, but there are 17,000 officers of all categories who are without government accommodation.

Shri M. Ananthasayanam Ayyangar: Has the Government considered the desirability of putting two Ministers into one house and two Secretaries into one house?

Mr. Speaker: It is a suggestion for action.

DISPUTE BETWEEN AUTHORITIES AND EMPLOYEES OF TEZPUR BALIPARA RAILWAY IN ASSAM

*327. **Srijut Rohini Kumar Chaudhuri:** (a) Will the Honourable Minister of Labour be pleased to state whether the dispute between the authorities and the employees of the Tezpur Balipara Railway in Assam has been settled?

(b) If not, is it proposed to appoint a tribunal to inquire into and adjudicate in the dispute?

The Honourable Shri N. V. Gadgil (Minister for Works, Mines and Power): (a) The Regional Labour Commissioner, Calcutta, who undertook conciliation, succeeded in bringing about a settlement acceptable to both the parties on the major issues involved. Complaints have, however, been received recently from the Union that the Company has failed to give full effect to the terms of the settlement and that it has indulged in certain acts of victimisation against union workers. The matter is being further investigated.

(b) The question of appointing a tribunal will be examined after the report of the investigation is received.

Srijut Rohini Kumar Chaudhuri: May I know what is exactly standing in the way of appointing a tribunal to inquiry into the dispute? Is it a fact that Government is unwilling to appoint a tribunal because this wretched railway has not begun to function?

Mr. Speaker: Order, order. He should not argue.

The Honourable Shri N. V. Gadgil: The answer is that all means of reconciliation must be exhausted before a tribunal can be contemplated.

Mr. Speaker: The question hour is over.

Some Honourable Members: No, Sir, there is still one minute.

Mr. Speaker: I do not see so. It is the difference in the levels which makes for the difference in the clock. But if the House is agreed that there is one minute, I will call the next question.

APPOINTMENT OF MR. S. S. BAJPAI TO INDIAN EMBASSY IN FRANCE

*328. **Shri Lakshminarayan Sahu:** (a) Will the Honourable Minister of Commerce be pleased to state whether Mr. S. S. Bajpai was removed from Government service and, if so, what were the reasons for his removal?

(b) Is Mr. Bajpai at present attached to the Indian Embassy in France?

The Honourable Shri K. C. Neogy: (a) Yes. Mr S. S. Bajpai was removed from Government service in 1939 on grounds of chronic indebtedness, non-disclosure of certain items of debt and disregard of warnings previously given.

(b) Yes.

Shri H. V. Kamath: Why was such a man appointed at our Embassy in Paris?

The Honourable Shri K. C. Neogy: That would necessitate a study of past history for some years. He was re-appointed virtually by the Government that removed him. His initial re-appointment took place in 1942 in the Information and Broadcasting Department. He was thereafter transferred in 1945 to the Commerce Department for an overseas trade appointment. He was then appointed Indian Government Trade Commissioner in Paris on a contract basis for a period which expired in the autumn of 1948. The Special Selection Board which was set up to recruit over-age candidates for the Indian Foreign

Service recommended that his services should be continued on a contract basis. On the termination of this period Government decided that he might continue in his post without any fixed period being mentioned, that is to say, he has not been given any contract.

Some Honourable Members *rose*—

Mr. Speaker: No question now.

UNSTARRED QUESTIONS AND ANSWERS.

NAMES AND TITLES OF INDIAN AND FOREIGN AMBASSADORS

2. Lala Raj Kanwar: Will the Honourable the Prime Minister be pleased to state:

(a) the names of foreign countries which are represented by Ambassadors in India together with the names and courtesy and other titles, if any, of such Ambassadors; and

(b) the names with their courtesy and other titles, if any, of Ambassadors of India in foreign countries?

The Honourable Shri Jawaharlal Nehru: (a) and (b). I place a statement on the table of the House.

STATEMENT

Ambassadors of Foreign Countries in India.

S. No.	Name of the country	Designation	Name and courtesy titles
1	Afghanistan	Ambassador	His Excellency Sardar Nijibullah Khan.
2	Belgium	Ambassador	His Highness the Prince de Ligne.
3	China	Ambassador	His Excellency Dr. Lo Chia-Luen.
4	Czechoslovakia	Ambassador	His Excellency Monsieur Jaroslav Sejnoha.
5	Egypt	Ambassador	His Excellency Monsieur Ismail Kamal Bey.
6	France	Ambassador	His Excellency Monsieur Daniel Levi.
7	Iran	Ambassador	His Excellency Monsieur Mussa Noury Esfandiari.
8	Nepal	Ambassador	His Excellency Commanding General Sir Shingha Shumshere Jung Bahadur Rana, K.B.E.
9	Netherlands	Ambassador	His Excellency Monsieur Arnold Theodoor Lamping.
10	Turkey	Ambassador	His Excellency Monsieur Ali Turkgeldi.
11	United States of America.	Ambassador	His Excellency Mr. Loy W. Henderson.
12	U.S.S.R.	Ambassador	His Excellency Monsieur Kirill Vasilevitch Novikov.

Ambassadors of India in Foreign Countries.

S.No.	Name of The Country	Diaignation	Name and Courtesy titles
1	Afghanistan	Ambassador	His Excellency Wing Commander Rup Chand.
2	Brazil	Ambassador	His Excellency Mr. M. R. Masani.
3	Burma	Ambassador	His Excellency Dr. M.A. Rauf, B.C.L. (Oxon), LL.D. Bar-at-Law.
4	China	Ambassador	His Excellency Sarder K. M. Panikkar.
5	Czechoslovakia	Ambassador	His Excellency Mr. N. Raghavan, Bar-at-Law.
6	Egypt	Ambassador	His Excellency Dr. Syud Hossain, Bar-at-Law.
7	Iran	Ambassador	His Excellency Syed Ali Zaheer, Bar.at-Law.
8	Nepal	Ambassador	His Excellency Wing Commander Sardar Surjit Singh Majithia.
9	Turkey	Ambassador	His Excellency Diwan Chaman Lall, Bar-at-Law.
10	United States of America.	Ambassador	His Excellency Mr. B. Rama Rau.
11	U.S.S.R.	Ambassador	Her Excellency Shrimati Vijayalakhmi.

MEETINGS OF STANDING COMMITTEE FOR MINISTRY OF EXTERNAL AFFAIRS AND COMMONWEALTH RELATIONS

3. Shri R. K. Sidhva: (a) Will the Honourable the Prime Minister be pleased to state the number of meetings of the Standing Committee for the Ministry of External Affairs and Commonwealth Relations held during the calendar year 1948?

(b) What is the total number of members of the Committee and what was the attendance at each meeting?

Dr. B. V. Keskar (Deputy Minister for External Affairs and Commonwealth Relations): (a) Four.

(b) Total number of members of the Committee is ten. Four members attended the first meeting and nine members attended each of the remaining three meetings.

MEETINGS OF STANDING COMMITTEE FOR MINISTRY OF COMMERCE

4. Shri R. K. Sidhva: (a) Will the Honourable Minister of Commerce be pleased to state the number of meetings of the Standing Committee for the Ministry of Commerce held during the calendar year 1948?

(b) What is the total number of members of the Committee and what was the attendance at each meeting?

The Honourable Shri K. C. Neogy: (a) and (b). I lay on the table of the House a statement showing the required information.

STATEMENT

Total number of meetings held	Dates	Total number of members	Attendance at each meeting
Four	20.2.48	Ten	Five.
	4.4.48	Ten	Five.
	21-5-48	Ten	Seven.
	5.9.48	Ten	Five.

MEETINGS OF STANDING COMMITTEE FOR MINISTRY OF RELIEF AND REHABILITATION

5. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state the number of meetings of the Standing Committee for the Ministry of Relief and Rehabilitation held during the calendar year 1948?

(b) What is the total number of members of the Committee and what was the attendance at each meeting?

The Honourable Shri Mohan Lal Saksena: (a) Five.

(b) There are ten members of the Committee. The attendance at each meeting is as follows: 1st Meeting 7, 2nd Meeting 7, 3rd Meeting 6, 4th Meeting 6, 5th Meeting 6.

MEETINGS OF STANDING COMMITTEE FOR MINISTRY OF WORKS, MINES AND POWER

6. **Shri R. K. Sidhva:** (a) Will the Honourable Minister of Works, Mines and Power be pleased to state the number of meetings of the Standing Committee for the Ministry of Works, Mines and Power held during the calendar year 1948?

(b) What is the total number of members of the Committee and what was the attendance at each meeting?

The Honourable Shri N. V. Gadgil: (a) Five.

(b) There are ten members of the Standing Committee excluding the chairman. The first meeting was attended by all the ten members; the second by five; the third by eight; and the fourth and fifth by nine members.

REHABILITATION OF REFUGEES FROM EAST BENGAL

7. **Shri Arun Chandra Guha:** (a) Will the Honourable Minister of Relief and Rehabilitation be pleased to state what is the approximate number of refugees from East Bengal?

(b) What is their distribution province-wise and also in the adjacent states?

(c) What steps have those provinces and states so far taken for the relief and rehabilitation of these refugees?

(d) Have the Government of India received any schemes for their rehabilitation from these provinces and states; and, if so, have they approved of any such scheme?

The Honourable Shri Mohan Lal Saksena: (a) The honourable member is referred to the reply given by me to part (a) of Starred Question No. 92 by Sardar Bhopinder Singh Man on the 3rd February, 1949.

(b) No census of refugees from East Pakistan has been taken so far. I am placing on the table of the House a statement of available tentative figures.

(c) and (d). The honourable member is referred to the reply given by me to part (c) of Starred Question No. 92 by Sardar Bhopinder Singh Man on the 3rd February, 1949.

Statement showing the number of refugees from Eastern Pakistan arrived in the Provinces and adjacent States

Provinces	Number of Refugees arrived from East Bengal
1. Assam	2,50,000
2. West Bengal	15,60,000
3. C.P.	591
4. Bihar	2,234
5. U.P.	2,000
6. Orissa	542
7. East Punjab	..
8. Madras	..
9. Bombay	..
10. Delhi	..
11. Ajmer	3
12. Tripura	45,000
13. Cooch Behar	10,165
Total	18,70,535

QUESTIONS WRONGLY ADDRESSED TO OTHER MINISTER

श्री मोहन लाल गौतम: पेशतर इसके कि आप आज का काम लें, मैं यह अर्ज करना चाहता हूं कि जब सवाल पेश किये जाते हैं, तो अक्सर देखने में आता है कि जवाब में मिनिस्टर साहिब कह देते हैं कि इसका जवाब उनके बजाय फलां मिनिस्टर साहब देंगे। मेरे ख्याल में जब सवाल पहले जाता है, तभी उसको ठीक जगह वापिस कर दें और इसका इन्तजार न किया जाये कि उसकी बाबत मिनिस्टर साहब हाउस में जवाब दें, या वह मिनिस्टर साहब खुद उसको दूसरे मिनिस्टर साहब के पास भेज दें। इस तरीके से काफी वक्त खराब होता है और उस सवाल का जवाब कई महीनों तक के लिये मुल्तवी हो जाता है। इसका जवाब कोई माकूल इलाज तजवीज फरमायें

(*English translation of the above*)

Shri Mohan Lal Gautam: Sir, before you proceed with the business of the day, I would like to submit that when questions are put, generally the Honourable Ministers say in reply that the question will be answered by some other Minister. In my opinion when the question is sent in the first instance, it should be returned then and there to the proper quarters without awaiting for the Honourable Minister to reply in the House; or the Honourable Minister should personally pass it on to the other Minister who is concerned. A good deal of time is wasted in this way and the reply to that question is postponed for months together. A proper remedy may kindly be found out.

Mr. Speaker: The honourable member is perhaps under a misapprehension. Whenever it is found that a Question is wrongly addressed, immediately the correction is made first in the Speaker's office. It is only in cases where the mistake is found at a very late stage—after the printing stage etc.—that such answers are given; not otherwise. Such cases are more or less by way of exception. In all human affairs, there might be some slip at some time or other. That is the whole position.

APPENDIX

(Vide *answer to starred question No. 315*).

AGREEMENT No. I—DECISIONS REACHED AT THE SECRETARIAT LEVEL MEETING OF THE INTER DOMINION REPRESENTATIVES ON 18TH, 19TH AND 20TH DECEMBER, 1947 AT NEW DELHI

ITEM No. I—INSURANCE COMPANIES

It is agreed that Companies which have moved their Head Offices to India will advise the Reserve Bank through the Government of India that 15 per cent. of the statutory deposits made by them with the Reserve Bank shall be deemed to be held on account of the policy holders now resident in Pakistan until the Superintendent of Insurance has determined the appropriate percentage of policy liability pertaining to persons at present resident in Pakistan.

2. The Superintendent of Insurance is to be requested to report the appropriate percentage figure by the 15th of January, if possible.

3. On behalf of the Companies which have moved their Head Offices to India, an undertaking is given that their assets, other than statutory deposits with the Reserve Bank of India, will not be reduced or withdrawn from Pakistan to the detriment of Pakistan policy holders.

4. Insurance Companies, in particular General Insurance Companies, will be accorded all reasonable facilities by the Pakistan Government in respect of protection and investigation of claims for their representatives who must go to investigate and appraise claims which have already arisen or may arise hereafter. The Government of India will accord reciprocal facilities. Agents of such companies should report to the Home Secretary, Government of West Punjab; and similarly agents of companies in Pakistan should report to the Home Secretary, East Punjab, Jullundur. Both Governments will advise the companies concerned to send out agents and investigators, as far as possible, belonging to communities which *prima facie* would not require protection.

5. In respect of investigation of claims in N.-W. F. P. and Sind, the procedure agreed upon in respect of West Punjab will apply and the agents of companies concerned will report to the Chief Secretary to the N.-W. F. P. and Home Secretary, Sind, for grant of necessary facilities. It is understood that reciprocal facilities will be accorded in the Delhi Province. Agents of Companies concerned will approach the Deputy Commissioner, Delhi, for grant of necessary facilities.

6. Complaints in regard to delay in settlement of claims will be referred by Pakistan to Mr. Ranganthan, Joint Secretary, Ministry of Commerce, Government of India and complaints from India will be referred to Mr. Karamatullah, Joint Secretary, Ministry of Commerce, Pakistan, Karachi. It is recognised, however, that settlement of claims can be expedited only after the companies concerned get their records, equipment, furniture, etc.

7. It is agreed that as soon as the provisional allocation under para. 1 has been made, the companies concerned may remove their Head Office records, equipment, furniture, fittings, etc., and for this purpose they should make application to the Custodian of Evacuee Property, West Punjab, Lahore.

8. The same procedure should apply in respect of any insurance companies in other parts of Pakistan, who may have removed their Head Offices to India.

ITEM No. II—SUPPLEMENTARY—RESTORATION OF LICENSED ARMS AND AMMUNITION

There are two categories here:

(a) Persons who hold receipts for licensed arms and ammunition taken away from them;

(b) persons who do not hold such receipts.

In regard to (a) the Conference is agreed that the two Dominion Governments should issue instructions to Provincial Governments to have such arms and ammunition restored. In regard to (b) it is agreed that the Dominion Governments should furnish lists of cases to each other and all such cases should be promptly investigated.

2. Pakistan representatives stated that lately there have been numerous complaints of Muslims being searched, presumably for fire arms, at various places, particularly in U. P. and the C. P. It is further stated that according to reports private property including cash has been taken away during these searches. Mr. Grigson mentioned two particularly bad cases where girls travelling on refugee specials from Delhi are alleged to have been raped by soldiers of the escort. The Representatives of Government of India agreed that if particulars are given of these various incidents they would be fully investigated and the result of each communicated to Pakistan Government. The Pakistan representatives suggested that the Government of India should circularise Provincial Governments drawing their attention to the agreement regarding personal searches. Mr. Punjabi mentioned a recent case where non-Muslims, presumably cleared from pockets in West Punjab, are alleged to have been searched and all belongings except one trunk per person and a bedding between four persons are reported to have been taken away. The Conference agreed that any breaches of the agreement between the two Dominions in regard to searches should be reported to each other and promptly investigated and the results intimated. The Conference decided that the Secretaries of the Dominion Ministries of Relief and Rehabilitation should be the agencies for handling this category of cases.

SUB ITEM (I) UNDER ITEM III.—ARTICLES HELD IN SAFE CUSTODY, SAFE DEPOSIT IN BANKS OR SAFE DEPOSIT ACCOUNTS

It is agreed that

(a) the depositor must be deemed to be the person entitled to claim such property and take possession thereof; and

(b) if any person other than the depositor claims the whole or part of the contents standing to the account of a depositor, either as a pawnor or a bailor, such claim must be lodged by a prescribed date.

In regard to Lahore it is understood that the District Magistrate fixed 15th of December 1947 as the last date by which such claims must be lodged. It is agreed that the last date for lodging of such claims in respect of other places in West Punjab shall be the 10th of January 1948.

2. In respect of deposits against which no claim is lodged by the prescribed date, depositors concerned will be allowed full facilities to operate the deposits or to withdraw them partly or completely. The procedure in this behalf will be that the depositor or his duly accredited agent will present an application to the

Custodian of Evacuee Property, West Punjab, who will grant the necessary permission as a matter of course. In districts of West Punjab, other than Lahore, such application will be made to the Deputy Custodian concerned, who again will grant permission as a matter of course. In the N.-W. F. P. such application will be made to the Controller appointed under Section 3 of Ordinance X of 1947 promulgated in that province.

3. As for deposits in respect of which a claim has been lodged, it is agreed that, when the depositor or his duly accredited agent presents an application to the Custodian of Evacuee Property or to the Deputy Custodian concerned in the West Punjab, or to the Controller concerned in N.-W. F. P., this officer will immediately release such part of the deposit as is not in dispute and against which there is no claim. In regard to the balance, a final decision shall be made as speedily as possible. The same procedure will apply in Baluchistan and applications will be made to the Custodian of Evacuee Property in that Province.

4. So far as the Custodian, Deputy Custodian, or Controller is concerned, a permit to operate a deposit will be issued in the name of the depositor and not his accredited agent. It will be for the bank etc. to satisfy itself that the person presenting the permit is the depositor himself or his duly accredited agent.

5. No restrictions on operation of vaults, bank deposits etc. have been imposed by India so far; but in the spirit of the agreement reached with Pakistan in this matter, if any person now resident in Pakistan has any difficulty whatsoever in regard to deposits of this nature, he or his accredited agent should apply to the Custodian of Evacuee Property, East Punjab or Delhi Province, as the case may be, who will give such assistance as may be necessary.

6. In regard to States in either Dominion, the Dominion Governments agree to endeavour to have the same procedure implemented.

7. If at any time hereafter restrictions on operation of safe deposit vaults etc. are imposed in the Indian Union, the Government of India agree to implement the same procedure as has now been agreed upon in respect of West Punjab, N.-W. F. P. and Baluchistan.

ADMITTED BY THE INTER-DOMINION SECRETARIAT LEVEL CONFERENCE HELD ON 18TH-20TH DECEMBER 1947

General Plan Regarding Treatment of Property left behind by Evacuees. Reported by Joint Sub-Committee.

Immovable Property:—

(1) It is agreed and re-affirmed that ownership of all immovable property left by an evacuee in either Dominion remains undisturbed and continues to vest in that evacuee.

(2) (a) It is agreed that out of the immovable property left by evacuees and vested in the Custodian, the Rehabilitation authorities of the Dominion concerned may take over for temporary use for a fixed period of years such property as is required by them *bona fide* for purposes of rehabilitation of refugees from the other Dominion, but not for other or collated purposes.

(b) The maximum period for which the Rehabilitation authorities may take over immovable evacuee property should not exceed the following:

(i) Residential property—3 years.

(ii) Commercial and Industrial undertaking—4 years.

(iii) Agricultural property—3 years.

(iv) The question of properties owned by Institutions and Trusts would be considered later separately.

(c) In respect of peroperty taken over by Rehabilitation authorities from the Custodian, the rentals payable by the Rehabilitation authorities to the Custodian should be determined by the Custodian, with reference to fair value and not with reference to the rents at which the Rehabilitation authorities decide to make available the user of those properties to refugees. It is the intention that concessions given to refugees should be at the cost of the Rehabilitation authorities and not of the evacuee owners.

(3) Where the property is not required by the Rehabilitation authorities, and if the owner makes his own arrangements for the proper management of such property on his application to the Custodian such property shall be restored to him for management and/or disposal as the owner may deem fit. Where the management has not yet been take over by the Custodian, he may on the owner's application allow him to retain the management.

(4) Where property is taken over by the Rehabilitation authorities, the owner shall have full right and facilities to transfer, by sale, exchange or otherwise, such property subject to the retention of the property by the Rehabilitation authorities for the period of years mentioned in para. 2 (b).

(5) Where property has been returned to the owner for management or is not required by the Rehabilitation authorities, the owner shall be given full facilities for transfer of the property whether by sale, exchange or otherwise. These facilities will include the employment of private dealers and brokers to arrange exchanges or sales.

(6) Where the owner, inspite of the freedom and facilities to transfer his property, considers or finds himself unable to do so he may proceed in the following manner:—

(i) **Urban property**:—(a) He may at any time apply to the Government of the Dominion to which he has moved for transfer of the property through official agency.

(b) For dealing with such applications the two Dominions will set up a joint agency for the purpose of joint valuation of the property in question by means of assessors acting under the joint agency.

(c) The joint Inter-Dominion agency will take all possible steps to arrange for disposal of the property at or above the value arrived at by assessment by the joint agency. In this respect the joint Inter-Dominion agency will act merely as agents of the owner on each side. Neither Dominion, however, accepts responsibility for taking over urban property at the price assessed by joint evaluation.

(ii) **Agricultural property**.—(a) Any owner of agricultural property who considers or finds himself unable to arrange transfer of it, by sale, exchange or otherwise, by private means may apply to the Government of his Dominion requesting disposal through official agency.

(b) The two Dominions will set up a joint agency which will draw up a schedule of prices for agrioultural property in both Dominions with reference to, firstly classification of different types of land such as homestead, chahi. nahri, barani, banjar, etc. and secondly with reference to territorial divisions which may be districts, subdivisions, tahsils or in any particular case other convenient territorial division.

(c) When the schedule of prices has been decided upon by the joint agency, all agricultural property in respect of which transfer through official channels has been applied for, will be valued and assessed with reference to such schedule. The particulars of holdings and rights therein will be determined from the prepartition village records.

(d) Each Dominion undertakes to take over at the value assessed in the above manner, all agricultural property lying in its territory and to make payment to the other Dominion of the said assessed value. After taking over the agricultural property at the assessed value, the Dominion concerned will be free to dispose of it in any manner it chooses and any profit or loss arising therefrom will not concern the other Dominion.

(e) Each Dominion, after taking over agricultural property in its territory in accordance with above, will arrange to pay to evacuee owners their territory the assessed value of their holdings in the other Dominion. Such payment may be by way of allotment of land or in cash or both.

(7) It is agreed that the basis for valuations as also for fixation of rentals will be "fair-value".

(8) It is agreed that no restrictions will be placed by either Dominion on remittances of sale proceeds of property or of cash differences in value in cases of exchanges of property.

(9) It is recognized that in respect of the Dominion to Dominion liability arising out of the taking over by each Dominion of agricultural property jointly valued, the Dominion owing a net amount after evaluation and adjustment may require time for payment. The period and method of payment may be determined by a further agreement between the Dominions after the amount payable have been estimated or determined.

Movable Property.—It was agreed that the right of ownership of any moveables continues to vest in the owner and that the owner should be given the right either to remove them or to dispose of them himself or to receive reasonable compensation therefor subject to the following:—

(a) Moveables required by Government for Governmental purposes *i.e.* in respect of administration:—the acquiring authority will acquire from the Custodian on payment of fair value.

(b) Moveables required by the rehabilitation authorities for purposes of rehabilitation of refugees may be acquired from the Custodian on payment of fair value.

(c) Moveables of a commercial or industrial undertaking where the owner at any time before disposal of such moveables applies to the Custodian for return of the undertaking to him for the purpose of his running it at its original site, may be restored to the owner by the Custodian on such conditions as he thinks fit. This permission may or may not include the permission to operate through agents.

(d) Moveables not comprised in (a), (b) and (c) above which nonetheless are considered essential to the life of the community and cannot, therefore, be allowed to go outside the Dominion—In this category will fall those moveables the export of which has been prohibited by a prohibitory order by the Dominion or the Provincial Government. In such cases on application from the owner the

Custodian will allow the owner to make his own arrangements for the disposal of the moveables within the Dominion.

(e) As regards the balance the owner will be given the right and full facilities to deal with or dispose off as he thinks fit including permission to remove outside the Dominion.

2. Para. II (i) is subject to any agreements subsisting or to be made between the Dominions with regard either to export or import of articles or on other matters affecting moveables.

3. In respect of moveables comprised in commercial or industrial undertakings the following facilities will be given to owners in respect of inventories and valuation:

(a) Within a period of one month of a date to be prescribed for the purposes, the owner may apply to the Custodian informing him that he will either appear personally or through a specified agent for the purpose of being present at the time of preparation of inventories or for being heard with regard to valuation of the moveables by the Custodian. During this period of one month no action to the prejudice of the owner will be taken.

(b) Each Dominion may appoint Liaison Officers at such places as it may desire for the purpose of assisting evacuees who have moved to that Dominion in regard to preparation of inventories and valuation. It shall be open to the owner to appoint such Liaison Officer as his agent.

(c) In regard to any undertaking in respect of which the owner has signified his desire to appear personally or be represented by his agent, the Custodian will arrange that freedom and facilities are given to the owner or his agent to be present at the time of preparation of inventories and at the time when the valuation is decided by the Custodian.

(d) Where the orders passed by any officer under the Custodian require confirmation by the Custodian the owner or his agent shall be given an opportunity to be heard by the Custodian before the order confirming or varying valuation is passed.

(e) Where an order of valuation has been passed by an authority subordinate to the Custodian himself, and the order does not require confirmation by the Custodian, the owner shall have the right to appeal to the Custodian.

4. (a) With regard to household effects, under the subsisting agreement between the Dominions the evacuee has a right to remove all his household effects. This right when exercised in relation to household effects in the meantime allotted to or taken possession of by a refugee tends to create a condition of insecurity for the refugee and hinders rehabilitation. Therefore, it is proposed that a list be drawn of articles of household goods which are required for rehabilitation and which the Rehabilitation department may ask the Custodian to retain for use of the refugee on full compensation in cash being paid. This cash value will be payable to the evacuee and he will be allowed to remove it outside the Dominions.

(b) It is agreed that in regard to the household effects owners on both sides should be expected to remove them as early as possible and should be required to do so within three months from the date of operation of arrangements to be made in that behalf. It was agreed that arrangements facilitating the removal of such goods should be made by the two Dominions.

(c) The household goods belonging to evacuees which are not removed by the evacuee by the end of the said three months may be disposed of by the Custodian to the best advantage and the money credited to the account of the evacuee.

5. Moveables which are known to be property of evacuees but which are not identifiable to particular evacuees will be sold by the Custodian to the best advantage and the amount kept under a separate account. The disposal of such monies will be discussed by the Dominions at a subsequent date.

6. The above principles will generally apply to moveable property. It is recognised that special categories or special articles will require special treatment, and each Dominion agrees at the suggestion of the other Dominion, to hold discussions to consider the establishment of special arrangements with regard to particular commodities or categories of articles.

HONOURABLE MR. JUSTICE REHMAN,
G. MUEENUDDIN
K. B. LALL.
Y. K. PURI.

Resolution

The Conference considered the joint plan regarding treatment of property left behind by evacuees, produced by the Sub-Committee consisting of:

(1) Mr. Justice A. Rahman, Custodian of Evacuee Property, West Punjab,
(2) Mr. Mueen-ud-din Commissioner of Rehabilitation, West Punjab,
(3) Mr. Y. K. Puri, Deputy Secretary, Ministry Without Portfolio,
(4) Mr. K. B. Lal Deputy Secretary, Partition Office.

It was agreed that this paper be considered by Governments on both sides and each Dominion furnish its own scheme for treatment of property both moveable and immoveable to a Joint Committee not later than 5th January 1948.

It was further agreed that the Joint Committee should report on the two schemes not later than the 12th January. This would probably give one week to the two Dominions to consider the report of the Joint Committee before the Inter-Dominion Ministers Conference which should meet as soon as possible after the 20th of January.

The Conference felt that the membership of the Joint Committee may well be increased. The consensus of opinion was that the membership should not exceed eight *i.e.*, four representatives from each Dominion.

S. K. KIRPALANI,—19-12-47.
W. V. GRIGSON,—19-12-47.

INTERIM ARRANGEMENTS REGARDING PROPERTY

1. Sec. 4(3) (b) of the West Punjab Ordinance No. VII of 1947 will not be brought into operation until final decisions in an Inter-Dominion agreement have been reached.

2. Sec. 5(2). The intention is that Custodian will scrutinize the terms and conditions in arrangements made by the Rehabilitation Authorities and revise them where necessary with a view to bring them into confirmity with the principles now agreed upon.

3. Sec. 9. A press note is to be issued to the effect that in regard to sec. 9 of the W. P. Ordinance VII of 1947, the question of permitting transfers etc. is under discussion between the two Dominions and it is the intention of the Government of Pakistan that until the conclusion of such discussions, no action will be taken under the provisions of this section to the prejudice of parties to the transfer of persons claiming under such transfers of property or rights. But such persons should nonetheless within the prescribed period apply to the Custodian for registration of such transfers.

4. Sec. 12(d) (ii). In the interim period action under this clause will not be taken and applications made will be kept pending.

5. Sec. 12(e). It was explained by the Custodian that it was not intended to make refugees a charge on evacuee property. Mr. Puri suggested that in order to avoid mixing up funds held for evacuees and funds disbursed for rehabilitation purposes the normal procedure of separate account heads for the two items—one of receipts and other of expenditure—should be adopted. Mr. Rahman and Mr. Mueen-ud-din promised to examine the matter.

6. Sec. 12(i). Refer to Note under Sec. 4(3) (b).

7. In the interim period, action regarding sales, allotments etc. of moveables forming part of commercial or industrial undertakings will be suspended, except in regard to essential industries and businesses. A list of such essential industries and business will be supplied by each Government immediately. Instructions will be issued that in regard to such a clear week's notice will be given certain predetermined papers. The Rehabilitation Department will not proceed to allot or make inventories till the week's notice has expired. Owners will in the interim period enjoy the right of representation at the time of making inventories and valuations.

INTERIM ARRANGEMENTS REGARDING PROPERTY.

The Conference considered the question of interim arrangements to be made regarding property until a long term settlement could be reached. The paper produced by the Sub-Committee "Interim arrangements regarding property" was adopted with the following modification:

In paragraph 3 pertaining to Section 9 of West Punjab Ordinance No. VII of 1947 the clause "No action will be taken under the provisions of this Section to the prejudice of persons claiming under such transfers of property or rights" was amended to read "No action will be taken under the provisions of this Section to the prejudice of parties to the transaction or of persons claiming under them".

In regard to paragraph 7, the Commissioner of Rehabilitation West Punjab explained that the list of essential industries and businesses may not be quite small because the procedure contemplated in paragraph 7 and the procedure contemplated in regard to the long term settlement would mean that the process of rehabilitation would probably be held up for quite two months, which in his opinion, would be unfortunate. The representatives of India pointed out that the procedure contemplated under paragraph 7 was intended to make immediate satisfactory arrangements for an interim period which period it was hoped would be a short one, and therefore pressed that the lists of essential industries and

businesses should be kept down to the minimum. After some discussion it was agreed that the lists would be made as short as possible.

The Pakistan representatives agreed that action contemplated in various paragraphs of this paper would be taken immediately.

The Government of India representatives drew attention of the Pakistan Government representatives to Ordinance No. IV of 1947 issued by the Governor General of Pakistan from Karachi on 10th December 1947 in regard to registration of documents pertaining to transfer of property. It was pointed out that the effect of this Ordinance was, practically, to stop all transfers of property and that this Ordinance operated very harshly against such non-Muslims as may be wishing to liquidate their properties in order to come over to India. The Pakistan representatives said that they had not been briefed on this point and that therefore they would like to receive a memorandum so that the matter may be examined on their side. It was agreed that this paragraph would be treated as the memorandum of India on the subject. The Pakistan representatives agreed to have the matter examined quickly and to send a reply as soon as possible.

GOVERNMENT OF PAKISTAN

MINISTRY OF LAW AND LABOUR.

Karachi, the 10th December 1947.

ORDINANCE No. IV OF 1947.

AN

ORDINANCE.

to provide for the payment of taxes before the recognition of transfer of property.

WHEREAS an emergency has arisen which makes it necessary to provide for the payment of taxes before the recognition of transfer of property.

Now therefore, in exercise of the powers conferred by section 42 of the Government of India Act, 1935 (26 Geo. 5, c, 2) as adapted by the Pakistan (Provincial Constitution) Order 1947, the Governor General is pleased to make and promulgate the following Ordinance:—

1. **Short title, extent, application and commencement.**—(1) This Ordinance may be called the Transfer of Property (Pakistan) Ordinance, 1947.

(2) It extends to all the provinces of Pakistan.

(3) It shall come into force at once in the Provinces of Sind, West Punjab, North-West Frontier and Baluchistan, and in other areas as and when the Government of Pakistan may direct.

2. **Effect of provisions inconsistent with other laws.**—Notwithstanding any other law for the time being in force the provisions of this ordinance shall have effect throughout the areas to which it applies.

3. **Registration of documents.**—No registering Officer, Revenue Officer, Custodian or other officer appointed to deal with property shall register any document, relating to property other than agricultural land, which is

required to be registered under the provisions of clause (a), (b), (c) or (e) of sub-section (1) of section 17 of the Indian Registration Act, 1908 (XVI of 1908), unless it is certified by an Inspecting Assistant Commissioner of Income-tax, in respect of every person whose right, title or interest in the property is or will be transferred, assigned, limited or extinguished under the terms of the document, either that such person is not liable to taxation under the Income-tax Act, 1922 (XI of 1922) the Excess Profits Tax Act, 1940 (XV of 1940) or the Business Profits Tax Act, 1947 (XXI of 1947), or that he has either paid or made satisfactory provision for the payment of all existing or anticipated liabilities under any of the said acts.

4. **Recovery Proceedings.**—If any right, title or interest in any property whether moveable or immoveable other than agricultural land, is, or has been transferred assigned, limited or extinguished after the 14th day of August 1947, an Income-tax officer may at any time issue a notice to all or any of the parties to the transaction requiring them to produce within one month the certificate prescribed by section 3; and if such certificate is not produced he may forward a statement to the Collector showing the existing and anticipated tax liabilities of each or any of the said parties. The Collector shall then proceed to recover the total amount shown in the statement as if it were an arrear of land revenue, and for the purpose of the recovery proceedings he may treat the said property as if it belonged to all or any of the persons named in the statement.

5. **Proceedings of suits.**—No suit, prosecution or other legal proceeding shall lie against the Dominion Government, any Provincial Government, any Income-Tax Officer or any other person or authority acting under his directions or in pursuance of any claim shown in the statement forwarded to the Collector under the preceding section, for anything which is in good faith done or intended to be done under this Ordinance.

M. A. JINNAH,
Governor-General

ITEM III—TREATMENT OF PROPERTY LEFT BEHIND BY EVACUEES

The Pakistan representatives suggested that the scope of agreements pertaining to the West Punjab and North-West Frontier Provinces on the one side and the East Punjab Province on the other regarding evacuee property and other connected matters, should be extended to States within East Punjab Province which have acceded to the Indian Union, and the States of Bharatpur and Alwar. The representatives of India thought that this request was reasonable and agreed to have the matter brought to the notice of Ministry of States, India. The representatives of India expressed the hope that there would be full reciprocity in this matter in regard to Bahawalpur, Khairpur and other States which had acceded to the Dominion of Pakistan.

ITEM IV—SAVINGS BANK DEPOSITS, POSTAL CASH CERTIFICATES AND OTHER CERTIFICATES E.G., NATIONAL SAVINGS.

(a) (1) In regard to Post Office Savings Bank Accounts it is recognised that there are two categories:

(i) where the pass-books are available;

(ii) where the pass-books have been lost or misplaced.

In regard to (i) it is understood that the Director General Posts and Telegraphs, Pakistan has been in correspondence with his opposite number in India and that a satisfactory procedure had been devised. It is agreed that the proper procedure should be for persons resident in Pakistan to hand over pass books at Pakistan Post Offices and that the D. G., Posts and Telegraphs, Pakistan, should consolidate such cases and forward a list to the D. G., P. & T., in India who would arrange transfer of accounts without insisting on production of passbooks or on verification of signatures.

As to (ii), where pass-books have been lost or misp'aced, persons resident in either Dominion should apply to the D. G., P. &T. concerned giving particulars of post offices where they had savings bank accounts. Consolidated lists of such cases would be exchanged between the D. Gs. of the two Dominions, who would make the necessary investigations and have the accounts transferred. Once the accounts have been transferred, the responsibility of a particular Dominion towards the depositor will cease. The two D. Gs. should clear legal and procedural difficulties between themselves.

(2) It is agreed that the same procedure will apply to Post Office Five Year Cash Certificates, Defence Savings Certificates and National Savings Certificates.

It is agreed that consolidated lists on both these items, separately, shou'd be exchanged by the two D. Gs. at regular intervals weekly or fortnightly. This is a matter for the two D. Gs. to arrange between themselves.

(b) **Deposits with Co-operative Societies, Central Co-operative Banks, Unions etc.**

The Conference is of opinion that the question of Deposits with these various Societies, Banks and Unions and of loans owing to these concerns is a complicated matter. It is, therefore, agreed that the Registrars, of Co-operative Societies, East and West Punjab, should discuss the matter and submit joint recommendations to their own Governments as soon as possible. The Conference trusts that the two Registrars will make joint recommendations not later than the 20th January, 1948.

ITEM V—PENSIONS.

It is agreed that all Provincial Governments in either Dominion should take definite measures to facilitate transfer of pension papers with the least possible delay. It is further agreed that all complaints of pensioners in either Dominion should be made to the Auditor General of the Dominion in which the pensioner is now residing and all such complaints will be cleared between the two Auditors General. Pending transfer of pension papers the Conference agrees to accept the suggestion made in the Pakistan Memorandum on this item. The agreement is as follows:

"When a pensioner presents his half of the Pension Payment Order, the A. G. concerned will, after obtaining the following documents, authorize a Treasury Officer or Post Master to make provisional payment:

(a) A certificate from a Magistrate or a Gazetted Officer certifying the pensioner's identity.

(b) An Indemnity bond from the pensioner, with two sureties, who should either be permanent Government servants or persons certified to be solvent by an Officer not below the rank of Tehsildar, agreeing to refund any amount wrongly paid.

2. Such payment should be authorized for pensions due for the period ending 31st March, 1948."

3. In regard to pensioners who have lost their halves of the Pension Payment Order, the Conference agrees that following procedure be observed until the Treasury half of the Pension Order can be transferred from one Dominion to the other. It is understood that on receipt of the treasury part of the Pension Payment Order the A. G. concerned will issue a fresh Order. Meanwhile pensions should be paid for the period ending 31st March, 1948 on production of the following:

(a) Certificate from a Magistrate or a Gazetted Officer certifying the pensioner's identity;

(b) An Indemnity bond from the pensioner with two sureties, who should either be permanent Government servants or persons certified to be solvent by an Officer not below the rank of Tehsildar, agreeing to refund any amount wrongly paid;

(c) Other corroborative evidence to show that he was in fact a pensioner and the Department and office from which he retired;

(d) A declaration stating the amount of his monthly pension, the month upto which he had received payment and the name of the Treasury or Post Office from which he received payment;

(e) The number of Pension Payment Order, if possible.

4. Under this procedure, pensions will be payable for the months of August 1947 to March 1948 inclusive.

5. In order that fresh permanent Payment Orders may be issued, the Auditors General of the two Dominions will collect all cases in which P. P. Os. have been lost by persons now resident in their territories and refer such lists to each other so that the Treasury Halves of the P. P. Os. may be quickly transferred.

6. The procedure agreed upon above will apply to all Provinces of either Dominion.

ITEM No. VII—REMOVAL OF ASSETS OF TRUSTS, EDUCATIONAL, CULTURAL, AND RELIGIOUS INSTITUTIONS.

The assets of the institutions concerned may be divided into two categories—(a) Moveable and (b) Immoveable.

2. In regard to Moveable assets, it is agreed that on application being presented to the Custodian of Evacuee Property, West Punjab, a quick decision shall be made in regard to equipment etc. which the Provincial Government wish to retain for their own purposes. In regard to the rest of the assets, the Custodian will grant a permit authorising removal by the party concerned. In making the decision for retention of a part of the Moveable assets, due regard will be paid to mutual needs of equipment, furniture, fittings, etc. Above all special consideration will be given to articles to which the institution attaches special cultural, sentimental, or religious importance and as far as possible such articles will be released.

3. In regard to immovable assets India requested that this category of property be taken up for special consideration apart from the general case of treatment of immovable property of non-Muslim evacuees and proposed that the Pakistan Government and Provincial Governments concerned consider the question of taking a quick decision in regard to acquisition of such property or its release so that the trustees or managers could liquidate it otherwise. The Pakistan representatives said that as India's original memorandum did not raise

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3. With regard to Part III of the Ordinance and the schedule under Section 19 pertaining to Pakistan employees of all Provinces of the Dominion of India and of States that have acceded to the Dominion of India and Muslim prisoners in the States of Alwar, Bharatpur and the States previously known as the Punjab States excluding Malerkotla, Bahawalpur and Khairpur, the representatives of India pointed out that the Government of India could not at this stage speak for the various Provinces and States, and at the request of the Pakistan representatives agreed that the Government of India will ascertain the views of the Provinces and States concerned in this matter. It was suggested that this matter would obviously have to be discussed and decided at a level higher than that of the present Conference and it was proposed that this matter should be placed on the Agenda of the Inter-Dominion Ministers' Conference to be held in January 1948.

ITEM XI—FACILITIES FOR REMOVAL OF RECORDS AND EQUIPMENT BY EAST PUNJAB GOVERNMENT.

(a) It was agreed that East and West Punjab Provinces should respectively nominate an officer who can clear outstanding matters between themselves.

(b) The Dominion Governments will likewise appoint officers to investigate the present position and have necessary records etc. transferred to Pakistan.

Item No. I of the Supplementary Agenda.—Companies (other than Insurance Companies and Banks) incorporated under the Indian Companies Act.

With regard to Companies (other than Insurance Companies and Banks) incorporated under the Indian Companies Act, the Dominion representatives agree to recommend to their respective Governments the modification by Ordinance of the provisions of Section 76 and 131 of the Indian Companies Act to enable the Companies incorporated under the Act, which had their registered offices in their territories, but whose management has been mainly in the hands of persons who have now left those territories, to compile their accounts, file their balance sheets and profit and loss accounts and convene their General Body meetings up to 31st March 1948 or within a period of six months from the termination of the period permissible to each such company under the Act, whichever is later.

2. A draft of the Ordinance to be issued is attached for consideration by each Dominion Government.

(VIDE SUPPLEMENTARY ITEM I).

AN ORDINANCE.

further to amend the Indian Companies Act, 1913.

WHEREAS an emergency has arisen which makes it necessary further to amend the Indian Companies Act 1913 (VII of 1913), for the purposes hereinafter appearing;

NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935 (26 Geo. 5, c. 2), as adapted by the Pakistan/

India (Provisional Constitution) Order, 1947, the Governor-General is pleased to make and promulgate the following ordinance:—

1. **Short title and commencement.**—(1) This Ordinance may be called the Indian Companies (Amendment) Ordinance, 1947.

(2) It shall come into force at once.

2. **Amendment of section 76, Act VII of 1913.**—To sub-section (1) of section 76 of the Indian Companies Act, 1913, the following proviso shall be added, namely:

"Provided that, in the case of a company whose directors, or the majority of whose directors, have during the year 1947 left for places in India/Pakistan on account of civil disturbances or the fear of such disturbances, the aforesaid period shall be deemed to have been extended by six months or up to the 31st day of March, 1948, whichever is later."

3. **Amendment of section 131, Act VII of 1913.**—To sub-section (1) of section 131 of the Indian Companies Act, 1913, the following proviso shall be added, namely:

"Provided further that in the case of acompany whose directors, or the majority of whose directors, have during the year 1947 left for places in India/Pakistan on account of civil disturbances or the fear of such disturbances, the period shall be deemed to have been extended by six months or up to the 31st day of March, 1948, whichever is later.

4. **Effect of expiry of Ordinance.**—On the expiry of this Ordinance, section 6 of the General Clauses Act, 1897 (X of 1897), shall apply as if this Ordinance were an enactment then repealed by a Central Act.

ITEM NO. II—SUPPLEMENTARY—RESTORATION OF LICENSED ARMS AND AMMUUNITION.

There are two categories here:

(a) Persons who hold receipts for licensed arms and ammunition taken away from them;

(b) persons who do not hold such receipts.

In regard to (a) the Conferenoe is agreed that the two Dominion Governments should issue instructions to Provincial Governments to have such arms and ammunition restored. In regard to (b) it is agreed that the Dominion Governments should furnish lists of cases to each other and all such cases should be promptly investigated.

2. Pakistan representatives stated that lately there have been numerous complaints of Muslims being searched, presumably for fire arms, at various places, particularly in U. P. and the C. P. It is further stated that according to reports private property including cash has been taken away during these searches. Mr. Grigson mentioned two particularly bad cases where girls travelling on refugee specials from Delhi are alleged to have been raped by soldiers of the escort. The Representatives of Government of India agreed that if particulars are given of these various incidents they would be fully investigated and the result of each communicated to Pakistan Government. The Pakistan representatives suggested that the Government of India should circularise Provincial Governments drawing their attention to the agreement regarding personal searches. Mr. Punjabi mentioned a recent case where non-Muslims, presumably cleared from pockets in West Punjab, are alleged to have

been searched and all belongings except one trunk per person and a bedding between four persons are reported to have been taken away. The Conference agreed that any breaches of the agreement between the two Dominions in regard to searches should be reported to each other and promptly investigated and the results intimated. The Conference decided that the Secretaries of the Dominion Ministries of Relief and Rehabilitation should be the agencies for handling this category of cases.

ITEM IV OF THE SUPPLEMENTARY AGENDA.

Taxation of all property to be paid by Custodian of Evacuee Property in respect of properties left behind in Pakistan.

The representatives of India put forward the following proposals:

(1) That all tax demands against evacuees which remain unsatisfied should be paid by the Custodian of Evacuee Property, either from the income of the property of the evacuee or, if there is no income, from his pool, provided that the total charge so raised does not exceed 50 per cent. of the Custodian's own evaluation of that property. It is suggested that if this proposal were accepted the Custodian would be amply covered for the charge so raised against the property. The Pakistan representatives agreed that this request was not unreasonable and that they would be prepared to recommend it to their Government.

(2) The representatives of India also proposed that the provision in the Income Tax Act for the levy of penalty in the event of an assessed tax not being paid should be waived up to the end of the year 1948 in the case of non-Muslim evacuees. The Pakistan representatives said that the request was reasonable but that they were unable to commit themselves without consultation with their Government.

SUPPLEMENTARY ITEM No. VIII.—REMOVAL OF HOLY VOLUMES OF GRANTH SAHIB AND OTHER HOLY BOOKS.

The Pakistan representatives agree that facilities will be accorded for the removal of all Birs of Shri Guru Granth Sahib and all other religious books and books on the history of religion. India agrees to accord reciprocal facilities.

SUPPLEMENTARY ITEM No. IX.—UNPAID BILLS OF CONTRACTORS.

The Finance Secretary East Punjab explained that an agreement had already been reached between the Governments of East and West Punjab and a satisfactory procedure devised. A claimant puts in a claim in duplicate to the Chief Secretary of the Province where he is resident. The Chief Secretary forwards one copy of the claim to his opposite number who after having the necessary verification made replies whether payment may be made. Action is then taken accordingly. The principle is clear that authority to pay the claim must be given by the Government in whose territory the service or supply in respect of which the claim arises, was rendered or made. The Conference agrees that this principle and practice are satisfactory and should be extended to all Provinces of either Dominion. In all Provinces the Officer to whom correspondence should be addressed is the Chief Secretary, unless the Provincial Government nominates someone else.

ITEM No. XI—SUPPLEMENTARY—TREATMENT OF NON-MUSLIMS IN WEST PUNJAB AND N.-W. F. P.

It was agreed that item XI should not be discussed in detail. But it was recognised on both sides that if there were any individual cases of mal-treatment and they are brought to notice, suitable action will be taken.

S. K. KIRPALANI,
Secretary,
Ministry of Relief & Rehabilitation
Government of India.

NEW DELHI;
The 19th December 1947.

W. V. GRIGSON,
Secretary,
Ministry of Relief & Rehabilitation
Government of Pakistan.

NEW DELHI;
The 19th December 1947.

AGREEMENT NO. II.—MEMORANDUM OF AGREEMENT BETWEEN THE MINISTRY OF FOOD, AGRICULTURE AND HEALTH, GOVERNMENT OF PAKISTAN AND THE MINISTRY OF FOOD, GOVERNMENT OF INDIA.

New Delhi 23*rd January*, 1948.

I. INDIA will, as early as possible, and in any event before the 31st March 1948 supply to PAKISTAN:

(i) 22058 tons of Australian wheat of fair average quality of the country of origin at the following price:

Rs. 10-8-0 (Rupees ten and annas three only) per maund delivered CIF Karachi in bulk.

If delivery is of bagged grain, the price will be for net grain and one anna more per maund, i.e., Rs. 10-4-0 per maund for net grain.

(ii) 1,500 tons of Australian wheat of fair average quality of the country of origin at the following price:

Rs. 9-9-0 (Rupees nine and annas nine only) per maund CIF Karachi in bulk.

If delivery is of bagged grain, the price will be for net grain and one anna more per maund.

(iii) In respect of supplies mentioned in (i) and (ii) above, new bags at the rate of eleven bags per ton will be supplied by the Government of India at Karachi in time to enable clearance of the grain from the steamers free of charge in case delivery is made in bulk. Delivery of the bags already in Government of India's Storage Depot at Karachi will be given at site, and the delivery of the remaining bags to be supplied will be given CIF Karachi.

(iv) 4,447 tons of Australian wheat of fair average quality of the country of origin to be delivered CIF Karachi at Rs. 15-13-8 (Rupees fifteen annas thirteen and pies eight only) per maund if in bulk or Rs. 16-11-6 (Rupees sixteen annas eleven and pies six only) if shipped from South Australia, Vic or N. S. W. Australia, and Rs. 15-9-8 (Rupees fifteen annas nine and pies three only) per maund (net grain) if in bulk and Rs. 16-7-5 (Rupees sixteen annas seven and pies five only) per maund if the grain is shipped from West Australia in bags.

(v) 3,000 tons of U.P. barley at present lying in West Punjab at Rs. 14-6-0 (Rupees fourteen and annas six only) per maund of fair average quality LESS annas six only (Rs. 0-6-0) per maund for bags and bagging in case the expenditure incurred by the U.P. Government for bags and bagging is made good to them separately by PAKISTAN.

(vi) 9,000 tons of imported barley of fair average quality of the country of origin CIF Karachi at Rs. 15-10-6 (Rupees fifteen annas ten and pies six only) per maund of naked barley.

(vii) In respect of the supplies referred to in (iv) and (vi) above, new bags at the rate of eleven bags per ton will be supplied by the

Government of India at Karachi and paid for by Pakistan at the rate of Rs. 105 (Rupees one hundred and five only) per 100 bags (one hundred bags). Delivery will be made as indicated in (iii) above.

SUGAR.

(viii) 10,000 tons of crystal Indian sugar of a middle quality F.O.B. Bombay on the basis of the pre-decontrol ex-mill prices shown in Annexure IV.

(ix) 5,000 tons of Cuban refined sugar ex site in Calcutta at Rs. 20-6-3 (Rupees twenty annas six and pies three only) per maund plus import duty plus incidentals at annas eight per maund.

II. PAKISTAN will, as early as possible, and in any event before the 31st March, 1948 supply to INDIA:

(i) 30,000 tons of rice of fair average quality from Sind of which not more than 20,000 tons will be brokens. The price payable will be as in Annexure I to this Agreement, according to the specifications attached herewith.

(ii) 19,000 tons of whole rice of fair average quality of West Punjab origin F.O.R. Station of despatch in East Punjab. The price payable will be as in Annexure II to this Agreement according to the specifications attached herewith.

(iii) PAKISTAN retains the option of supply whole Sind rice instead of Punjab rice.

III. In case the Government of India finds it possible to supply 9,000 tons of Australian wheat to Pakistan (which will be confirmed in February 1948) PAKISTAN will supply 9,000 tons of whole rice to INDIA. The question of price will be decided if the arrangement is confirmed.

IV. *Method of Payment*:—

(i) In respect of the imported wheat and barley to be received by the Government of PAKISTAN from the Government of India and detailed above, payment will be made by the Government of Pakistan to the Government of India against delivery of goods. The Bill of Lading duly endorsed by the Government of India in favour of the Government of Pakistan will be delivered to the latter. In case the Bill of Lading is delayed, the Government of India will intimate the arrival of the ship to the Government of Pakistan telegraphically and will also issue necessary authority in favour of the Government of Pakistan to enable them to take delivery of the goods on their arrival in Karachi. The payment in respect of these supplies will be made to the account of the Government of India at the Central Office of the Reserve Bank of India before the Bill of Lading is delivered or the authority for delivery of grains is issued.

(ii) In respect of the Indian sugar to be received by the Government of Pakistan as detailed above, payment will be made by them at the Reserve Bank of India, Bombay, in favour of the Deputy Accountant General (Food) New Delhi on presentation of Shipping documents.

(iii) In respect of the Cuban sugar to be received by the Government of Pakistan from the Government of India, payment will be made by the former or their nominee to the Regional Food Commissioner, Calcutta, against delivery of goods.

(iv) The Government of India or their nominees will make payment in respect of the supplies of rice to be received by them to the Sind Government or the Government of West Punjab, as the case may be, according to the procedure in force in those Provinces before the 15th of August 1947.

V. The programme of supplies to be made by INDIA to PAKISTAN and by PAKISTAN to INDIA will be as shown in Annexure III to this Agreement.

VI. If in spite of best efforts on both sides, delivery of any quantity referred to in this Agreement is delayed beyond the 31st March 1948, the undespatched balances will be delivered as soon after the 31st March 1948 as possible, and this agreement will cover such deferred deliveries.

VII. The tons referred to in this Agreement are of 2,240 lbs. each and maunds of 82·2/7 lbs. each.

VISHNU SAHAY.
28/1/48.
Secy. Ministry of Food (India).

H. S. M. ISHAQUE.
28/1/48.
Joint Secy. Ministry of Food (Pakistan).

ANNEXURE I.

EXPORT RATES OF SIND RICE EX-GOODOWN.

	KANGNI		JOSHI		SUGDASI	
	Whole	Brokens	Whole	Brokens	Whole	Brokens.
Prime cost of Rs. cooked grain.	9/3/—/	7/9/7	9/—/	7/3/2	15/3/—	12/6/3
Govt. surcharge	1/8/—	1/8/—	1/3/—	1/3/—	1/3/—	1/3/—
Handing, cost of bags, etc.	2/19/6	2/10/—	2/10/6	2/10/6	2/13/—	2/13/—

Note:—If exports are desired on f. o. b. basis a further charge of 2 annas will be added.

The above prices add incidentals are the same as the Sind Government are charging recipient areas in Pakistan itself

H. S. M. ISHAQUE
23-1-48.

ANNEXURE II

EXPORT RATES OF RICE OF WEST PUNJAB F.O.R. STATION OF DESPATCH

		Rs.	A.	P.
DARA :	Basic rate f.o.r.	14	0	0
	Interest	0	1	6
	Storage surcharge	0	2	0
	Slump surcharge	0	2	0
	Insurance surcharge	1	0	0
	Total	15	6	0
BEGMI :	Basic rate f.o.r.	15	8	6
	other charges	1	5	6
	Total	16	14	0
PARMAL :	Basic rate f.o.r.	20	4	6
	Other charges	1	5	6
	Total	21	10	0
ASMATI :	Basic rate f.o.r.	22	4	6
	Other charges	1	5	6
	Total	23	10	0

N.B.—For Sela varieties of Parmal and Basmati add As. 0-8-0 per maund.

The above prices and incidentals are the same as West Punjab are or will be charging any recipient areas in Pakistan itself.

H. S. M. ISHAQUE.

23-1-48.

ANNEXURE III

PROGRAMME OF SUPPLIES

JANUARY:

(1) Pakistan will release 20,000 tons of rice before end of January.

(2) India has nominated ship Indian Trader carrying 8,400 tons due to arrive at Karachi about 31st January.

(3) India has released 5,000 tons of Cuban sugar at Calcutta.

(4) India has released 8,000 tons of U.P. barley at present in West Punjab.

(5) India has nominated ship Vallisdis carrying 9,000 tons of barley due to reach Karachi before end of January.

FEBRUARY:

(1) Pakistan will release in the first fortnight 10,000 tons of rice.

(2) India has nominated ship Bert Williams carrying 9,500 tons of USA wheat which sailed on the 1st of January and is expected to reach Karachi about 12th of February.

(3) Pakistan will make available a further 7,000 tons of rice by end of Februry and will endeavour to inorease this quantity.

MARCH :.

(1) Pakistan will supply the balance of the rice.

(2) India has nominated ship Shipmede carrying 9,000 tons due to arrive at Karachi about the middle of March. India has nominated liner Canara carrying 1100 tons due to arrive about the 20th of March.

2. India will supply 10,000 tons of Indian sugar ex mill forthwith and will do its best to have it delivered f.o.b. Bombay as soon as possible.

H. S. M. ISHAQUE
23/1/48

VISHNU SAHAY
23/1/48

ANNEXURE IV

(a) *Price per maund of crystal sugar ex factory according to grade* actually paid to the sugar factories or firms subject to the maximum prices given below.

	21	22	23	24	25	26	27	28	29
	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
A	0 14 6	21 0 6	21 2 6	21 4 0					
B	20 12 0	20 14 0	21 0 0	21 1 6	21 3 6	21 5 0			
C	20 10 0	20 12 0	20 14 0	20 15 6	21 1 6	21 3 0	0		
D	20 8 6	20 10 6	20 12 6	20 14 0	20 15 6	21 1 6	21 3 6	21 5 0	
E	20 7 0	20 9 0	20 11 0	20 12 6	20 14 6	21 0 0	21 2 0	21 3 6	
F	20 6 0	20 8 0	20 10 0	20 11 6	20 13 6	20 15 0	21 1 0	21 2 6	21 4 6
G	20 5 0	20 7 0	20 9 0	20 10 6	20 12 6	20 14 0	21 0 0	21 1 6	21 3 6

(b) *Freight from mills in Bombay Presidency to Bombay at Railway risk* at actuals.

(c) *Incidental charges at actuals up to F. O. B. at Bombay as under :*

Incidential charges.	Per bag of 2 3/4 maunds. Rs. A. P.
Town Duty (collection charges)	0 1 6
Unloading charges from wagon to lorry	0 1 0
Transport charges upto Godown	0 2 0
Unloading charges at Godown	0 1 0
Loading at Godown	0 1 0
Transport to Docks	0 3 0
Unloading charges at Docks	0 1 0
Storage charges at Godowns	0 4 0
Mukhadami charges	0 6 0
Dock charges	0 2 6
Commission	0 12 0
Total per bag	2 3 0

In case, any of the above charges are not paid on account of the sugar moving direct from the wagon to the docks they will not be payable by the Govt. of Pakistan.

(*d*) *Ocean Freight from Karachi to Bombay* insurance charges if insurance required by the Govt. of Pakistan of which intimation will be given in due course and landing charges at actuals.

IJAZ AHMAD
for Joint Secretary to the Govt.
of Pakistan, Ministry of Food,
Agriculture & Health.

N. G. ABHAYANKAR,
for Secretary to the Govt.
of India,
Ministry of Food.

AGREEMENT NO. III—MEMORANDUM OF AGREEMENT BETWEEN THE MINISTRY OF FOOD, AGRICULTURE AND HEALTH, PAKISTAN GOVERNMENT AND THE MINISTRY OF FOOD, INDIA.

New Delhi, dated the 24th March, 1948.

Para I. *Wheat-rice.*—

India will supply 9,000 tons (one ship load of Australian wheat of fair average quality) to Pakistan and will also supply free of cost new B-twill gunnies (11 for one ton) for such quantity of the above wheat which is un-bagged.

II. In return for the above wheat and bags Pakistan will supply an equal quantity ton per ton of Sind 'Kangni' rice of fair average quality in bags.

III. *Maize-rice.*—

India will supply 12,000 tons Argentine maize of fair average quality to Pakistan and will also supply new B-twill gunnies (13 for one ton) for such quantity of the above maize which is un-bagged.

IV. For the bags for maize Pakistan will pay India Rs. 115 for 100 bags and in return for the above referred quantity of maize Pakistan will supply India 10,000 tons of Sind 'Kangni' rice of fair average quality in bags.

V. *Barley-rice.*—

India will supply 1,500 tons Argentine barley in bags of fair average quality to Pakistan and in return Pakistan will supply India 1,150 tons of Sind 'Kangni' rice of fair average quality in bags.

VI. *General.*—

Delivery by India of wheat, maize and barley will be C.I.F. Karachi and bags will also be delivered in Karachi. Delivery of rice by Pakistan will be F.O.B. Karachi.

VII. As regards weight and quality of maize, wheat and barley at the time of despatch, the usual certificate of the Argentine/Australian authorities will be accepted as final. The loss or damage (not including normal deterioration) during transit as certified by a licensed surveyor shall be on India's account.

VIII. Pakistan will endeavour to raise the quantity of rice referred to in para IV to 16,000 tons in which case the equivalent quantity of maize to be delivered by India will be 19,000 tons and the bags to be supplied by India at Rs. 115 per 100 bags for the un-bagged quantity out of 19,000 tons.

IX. The programme of deliveries will as far as possible be as shown in annexure into this Agreement.

X. The tons referred to in this Agreement are of 2,240 pounds each.

XI. If the export quota of 50,000 tons of sugar and 10,000 tons of gur allowed by India to Pakistan in January, 1948 is not availed by the 31st March, 1948, Pakistan can avail of it if desired by them by the 31st July, 1948.

IJAZ AHMED,
24-3-48
for the Govt. of Pakistan.

V. SAHAY,
24-3-48.
Secy. to the Govt. of India,
Ministry of Food.

ANNEXURE I.

I. *SUPPLIES BY INDIA.*

(i) Wheat—By about the end of 1st week of April 1948.

(ii) Barley—By about the beginning of second week of April 1948.

(iii) Maize—3,000 tons by the beginning of second week of April. Balance by the end of second week of April.

II. *SUPPLIES FROM PAKISTAN.*

(i) One ship load by the end of the first week of April 1948.

(ii) One ship load by the end of the second week of April 1948.

(iii) Balance by the end of the 3rd week of April 1948.

IJAZ AHMED,
24-3-48
for the Govt. of Pakistan.

V. SAHAY,
24-3-48
Secy. to the Govt. of India,
Ministry of Food.

AGREEMENT NO. IV—MINUTES OF INTER-DOMINION DISCUSSIONS AT LAHORE ON 13TH, 14TH AND 15TH MARCH 1948, BETWEEN PAKISTAN MINISTER FOR REFUGEES, EVACUATION AND REHABILITATION AND THE INDIAN MINISTER FOR RELIEF AND REHABILITATION ACCOMPANIED BY OFFICIALS OF THEIR MINISTRIES AND OF THE EAST AND WEST PUNJAB GOVERNMENTS.

I. *Recovery of Abducted Women.*

1. The working of the agreement of 6th December 1947 on the recovery of abducted women was reviewed. It was agreed that the results had fallen short of expectations. India claimed that this was due to the limited role assigned to the troops in the recovery work and pressed that, under the agreement, the recovery parties visiting the villages should also include troops of both the Dominions. Pakistan did not agree with this interpretation of the agreement and in fact considered that the hostile feeling engendered in villages of one Dominion by the visit of troops of the other Dominion, militated against success in recovery. In their view, troops of one Dominion were, under the agreement, to be employed only as guards on transit camps and for escort duty. The difference of opinion remained unresolved.

2. In Pakistan's view it was not therefore possible in any circumstances to permit troops of one Dominion to form part of village recovery parties in the other Dominion; they would however continue the present arrangements for recovering abducted women, namely recovery parties consisting of Police, social workers and D.L.Os of the two Dominions. The function of the troops would, as at present, be confined to guarding Transit Camps to which recovered women are brought to escorting parties of recovered women from one Dominion to the other or from one camp to another.

3. At the suggestion of the Inspector-General of Police, West Punjab, it was agreed between the two Dominions that the Police Officers of West Punjab, deputed for recovery work will nominate as colleagues for operations in East Punjab those officers of the East Punjab Police who in their opinion will be most effective for this type of work. A similar right of nomination of West Punjab Police officers will be accorded to the East Punjab Police officers deputed for recovery work in West Punjab. The head of the West Punjab Police staff working in Pakistan for the recovery of abducted women will be nominated by the Inspector General of Police, East Punjab, and *vice versa*. It was agreed that this arrangement for selection of Police staff in East Punjab and West Punjab would not apply to States.

4. Pakistan pressed that it was high time that the East Punjab States and the States of Alwar and Bharatpur should arrange to set up an organisation for the recovery of women on the same lines as had been working in East Punjab and should agree to receive detachments of Pakistan troops (for guard and escort duty) accompanied by Pakistan Police parties, Liaison Officers and social workers. Transit camps should be set up, though the location of each camp will be left to the States' discretion. If for any reason it was not possible to do so, Pakistan felt that they had no alternative but to withdraw all troops from East Punjab and to ask that all Indian troops should be withdrawn forthwith from Pakistan territory. Pakistan added that the States that had acceded to

9zJ2a1zB! LPW¼! z4R«1! 1CE! z//zBZE^ EB1a! BPL! 2B! TP/AE! 2B! 1CE! 42a1/2A1a! PT! f Ew!
9WB|zM

U!;B42z! az24! 1Cz1! 1CED! LPW¼! APBaW¼1! 1CE2/! 81z1Ea! 2^ ^ E42z1E±D! zB4! aEB4! z!
/E«±D! PB! 1C2a!«P2B1! MW!«P2B1E4! PW!1Cz1! za! z=/Ez4D! 2B12^ z1E41! 1CE! 9zJ2a1zB! 1/PR«a!
ZP2BZ! 2B1P! 1CE! 81z1Ea! LPW¼! ME! WB4E/! 1CE! AP^ ^ zB4! PT! 1CE! - P^ ^ zB4E/! PT! 1CE!
81w±E! TP/AEa! zB4! 1Cz1! 1CE! 9P±2AE«z/12Ea! LPW¼! LP/J! 2^ 4E/! 1CE! 42/EA12PB! PT! 1CE!
;Ba«EA1P/'i EBE/z±! PT!9P±2AE! PT! 1CE! 81z1Ea! APBAE/BE4'

Y'!;B! 9zJ2a1zB'a! R«2S2PB! TW1CE/! APBaW±1z12PB! L21C!;B42zB! 81z1Ea! Lza! WB»
BEAEaaz/D! za! 1CE2/! zaaEB1! Cz4! MEEB! PMlz2BE4! zB4! AP^ ^ WB2Az1E4! 2B! 1CE! 9/2^ E!
] 2B2a1E/! PT!;B42zya! 1E±EZ/z^ !>P! I5q!! 4z1E4! 1CE! c1C!] z/AC! &I5c'!;B42z! APW¼!
BP!! zAAE«1! 1CE! m2EL! 1Cz1! 1CE!«/R«Pa212PB!«W\±P// z/4! 2B! 1Cz1! 1E±EZ/z^ ! Lza! 1CE!
az^ E! za! 1CE! z//zBZE^ EB1! BPL!«/4«PaE4'! QCE/EIP/E! APBaW21z12PB! L21C!;B42zB!
81z1Ea! fyza! EaaEB12z±!! MW! EmE/D TP71! LPW¼! ME! ^ P4E! 1P! ZE1! zB! 2^ ^ E42z1E!
4EA2a2PB'

0'! 9zJ2a1zB! TE±! 1Cz1! 1CE! a1zZE! Cz4! MEEB!/EzACE4! LCEB!1/PR«a! APW¼! ME!
Z/z4W±±D! L21C4/zLB! TP^ ! 1C2a! LP/J!zB4! az24! 1Cz1! 1CED! Cz4! 4EA24E4! 2B! zBD! AzaE!
1Cz1! BP! ^ P/E! 9zJ2a1zB! 1/PR«a! aCPW¼! R«E/z1E! L21C! 1CE!] F:! 2B! 1CE! 42a1/2A1a! PT!
Fza1! 9WB|zM! zT1E/! c&a1!] z/AC1! z±! ME2BZ! L21C4/zLB! PB! &a1!=«/2±! zBAQ;B! 1CE!
T±1z1Pa! PT! Fza1! 9WB|zM! zT1E/! &Y1C!=«/2±! z±! ME2BZ! L21C4/zLB! PB! &Y1C! =«/2±!
QCE!/EzaPB! TP/! 1CE!±z1E/! L21C4/zLz±! T P^ ! 1CE! 81z1Ea! Lza! 1Cz1! 1CE! LP/J! Cz4! MEEB!
a1z/1E4! 1CE/E z1! z! ^ WAC! ±z1E/! 4z1E! QCE! AP/P±z/D! PT! 1C2a! 4EA2a2PB! LPW¼! ME!
1Cz1! BP!;B42zB! 1/PR«a! aCPW¼!/E^ z2B! 2B! f Ea1E/B! 9zJ2a1zB! zT1E/! 1CE! &Y1C! =«/2±! '!
9zJ2a1zB! z±aP! 2B1EB4E4! 1P! ±2^ 21! 1CE2/! 1/PR«a! E^ «±PDE4! TP/! 1C2a!«W«PaE! 2B! 1CE!
81z1Ea! 1P! G! AP^ «zB2Ea!! zB4! BaJE4! 1Cz1! 1CE! a1/EBZ1C! PT! 1CE! ;B42zB! 1/PR«a! aCPW¼!
ME!/E4WAE4!«/P«P/12PBz1E±D

c'! 9zJ2a1zB! ^ z4E! 21! PyEz/! 1Cz1! EmEB! zT1E/! 1CE! L21C4/zLz±! PT! 1CE! 1/PR«a! 1CE!
L'P/J! PT!/EAPmE/D! PT! zM4WA1E4! LP22 EB! zB4! A±Ez/zBAE! PT!«PAJE1a! LPW¼! APB12BWE!
1C/PWZC! [P2B1!«z/12Ea! PT!«P±2AE!±z2aPB! PT!2AE/a! zB4! aPA2z±! LP/JE/a'! QCE!] 'F': '!
x Ez4_W/1E/a! LPW¼! APB12BWE! TP/!±z2aPB! LP/J! MW! LPW¼! CzmE! BP! 1/PR«a! WB4E/!
21a! APB1/P±! QCE! 1/PR«a! PT! 1CE! NP^ 2B2PB! 2B! LC2AC! 1CE!/EAPmE/D! LP/J! zB4! A±Ez/»
zBAE! PT!«PAJE1a! Lza! 1P! ME! APB12BWE4! LPW¼! /E«'zAE! 1CE! 1/PR«a! L21C4/zLB! MD! 1CE!
P1CP/! NP^ 2B2PB'

I'!;B42z! APBa24E/E4! 1Cz1! TP/! 2Ba«2/2BZ! APBTE24EBAE! z^ PBZ! 1CE! LP^ EB! 1P! ME!
/EAPmE/E4! zB4! APBmE/1E4! «E/aPBa! 1P! ME! EmzAWz1E41! 21! Lza! 4Ea2/zME! 1P!/Elz2B! 1CE!
«/EaEB1! z//zBZE^ EB1a! LCE/EMD! 1CE! 1/PR«a! PT! 1CE! NP^ 2B2PB! 1P! L C2AC! 1CE!«E/aPBa!
ME±PBZE4!«z/12A2«z1E4! 2B! 1C2a! LP/J'! QCED! LE/E! 1CE/EIP/E! PT! R«2B2PB! 1Cz1! 1CE!
«/R«PaE4! L21C4/zLz±! 4z1Ea! LE/E«/E^ z1WE! zB4! LPW¼! z4mE/aE±D! zTTEA! 1CE! LP/J!
PT!/EAPmE/D! 9zJ2a1zB! az24! 1Cz1! 1CEaE! 4z1Ea! LE/E! T2Bz=1;B42z!1PPJ! BP1E! PT! 1C2a!
a1z1E^ EB1'

&+!;1! Lza! zZ/EE4! za! WB4E/<

zg!: 2n2!/Pz4! 1/zBa«P/1! 1PZE1CE/! L21C! 4/2mE/ag!/E_W2E4! TP/! zA1Wz±! /EAPmE/D!
R«E/z12PBa! 2B! f Ea1! 9WB|zM! L2±! ME! TW B2aCE4! MD! 1CE! Fza1! 9WB|zM i PmE/B^ EB1!
zB4! *x4A7) x72}6T* QCPaE! mEC2A±Ea! L2±! ME!«/Pm24E4! PB!«zD^ EB1! L21C!«E1/P±! E1A1!
MD! 1CE! NP^ 2B2PB! 2B! LC2AC! 1CED! R«E/z1E! \

M!XP/!^ PmE^ EB1! T P^ ! 42a1/2A1! 1P! 42a1/2A1! P/! T P^ ! PBE! NP^ 2B2P/ ! 1P! zBP1CE/!
E2n2!P/!^ 2±21z/D! 1/zBa«P/1!^ zD! ME! E^ «±PDE4! za! APBmEB2EB1'

W±C! BP! AzaE! L2±! AWa1P^ a! 4WlD! ME! ACz/ZE4! MD! E21CE/! NP^ 2B2PB! 2B! /Ea«EA1!
24Ea! WaE4! TP/!/EaAWE! 42a1/2A1! ±2z2aPB! P/! P1CE/! EmzAWz12PB! LP/J'!;B! P/4E/!
1P! zmP24! 42a«WlEa! aWAC! e Ef P±Ea! L2±! ME! a«EA±z±D! ±2a1E4! zB4! 4/2mE/a! L2±! ME!
TW B2aCE4! L21C! a«EA2z±!«E/^ 2la'! \

4g! F°2a1C2Z! zB B1lE^ EB1a! Lb&! APB12BWE! WB12±! 1CE! BEL! z//zB E11EB1a! ME!
2^ T±E^ EB1E4'! “

11. The Conference considered the question of recovered women who are unwilling to be restored to their people in the other Dominion. It was agreed that special camps should be established for such women, one in West Punjab and one in East Punjab. Non-Muslim women recovered in Pakistan who are unwilling to be transferred to India will be taken to the special camp in East Punjab. Similarly Muslim women recovered in India will be taken to the special West Punjab Camp. After a period not exceeding a fortnight the wishes of these recovered women will be ascertained by social workers of both Dominions acting jointly and action will be taken in accordance with their wishes. Pakistan urged that such camps should be managed by a neutral organisation. India agreed to the scheme except to management of the camps by a neutral organisation, Pakistan attached considerable importance to this and intimated that they would pursue the matter, further but meanwhile agreed to the special camp being set up in India in the manner desired by India.

12. It was agreed that any dispute as to whether a woman or child was abducted or forcibly converted before or after 1st March 1947 shall be determined by a joint enquiry held in Lahore or Jullundur, as the case may be, by the two seniormost police officers of the special recovery staff of the two Dominions.

13. It was felt that the decision now taken would improve the present arrangements for recovery. It was realised that the basis of all efforts so far made for recovering abducted women had been voluntary in character. Both Governments agreed that if despite the improvements in arrangements effected by the decision recorded above quicker and better results were not achieved, stern legislation might have to be enacted to deal with offenders.

II. *Exchange of Prisoners.*

14. India pointed out that the delay in implementing the agreement reached in the December 18th-20th, 1947 Conference at Delhi and later ratified by both Governments was due only to Pakistan having informed India of their inability to implement the agreement because of a legal defect in the West Punjab Legislation. Pakistan had been advised that central legislation was essential. The Pakistan representatives stated that a Central Ordinance was under issue and that the text, when received, would at once be communicated to India; it was hoped to implement exchange on the basis of that Ordinance, provided that agreement was reached in respect of Delhi Province, as to which Pakistan awaited a reply to their proposal that exchange of prisoners from Delhi Province should be limited to persons under trial or convicted on or after 15th August 1947, and to their request for information as to the numbers of prisoners in each State and in Delhi Province. India suggested immediate start of exchange of prisoners between East and West Punjab, as agreed in December last; Pakistan did not agree in the absence of a reply to their proposal about Delhi. India said that the Delhi question was under consideration and enquired whether Sind prisoners would be transferable under the Pakistan Ordinance. The Pakistan reply was that this, if desired, was unlikely to present any difficulty as it would be possible to extend the Ordinance to Sind.

15. Both Dominions desired that actual exchange of prisoners should start in the near future. Meanwhile it was agreed that the Provincial and State Governments concerned should issue instructions to ensure that the prisoners affected should be given adequate food and clothing and proper treatment.

III. *Evacuation of Muslim ex-Servicemen from Patiala State.*

16. Pakistan pressed for early decision as to the evacuation of discharged Muslim soldiers of the Patiala State Forces and their families. India agreed to use their good offices to secure that these persons should be removed from

Patiala State at a very early date and given the option of staying in India or going to Pakistan. The Hon'ble Mr. Neogy assured the Hon'ble Raja Ghazanfar Ali Khan that he would have this matter treated as one of the top priority.

IV. *Joint Enquiry into Incidents.*—

17. Certain instances were discussed in which one Dominion was dissatisfied with the finding of fact by the other Dominion on complaints arising out of incidents involving hardship and injustice to individuals. It was agreed that in future, wherever possible, such matters could best be resolved by speedy joint enquiry. The Dominion in whose territory the cause of action had arisen would hold an enquiry and request the other Dominion to nominate a representative to assist in the enquiry. It was agreed that drastic and exemplary action must be taken against offenders, particularly those guilty of offences against women.

V. *Possible effect of currency and exchange regulations, etc., on transfer of evacuee property.*—

18. India suggested that an assurance should be given by both Dominions that no legislative or administrative action would be taken to prejudice transfer of property or proceeds of the property of evacuees from one Dominion to the other; this was particularly necessary in view of possible developments in regard to currency exchange and restriction of movement of precious metals.

19. The Minister for Refugees, Pakistan, expressed his inability to deal with this matter, but promised to refer it for urgent consideration to the Finance Minister of Pakistan.

20. India requested that a very early decision should be taken on this matter, if possible within a week or so.

VI. *Vaults and Safe Deposits with Banks.*

21. India pointed out that in previous discussion emphasis had been laid on clearing the vaults and deposits in Lahore in Pakistan, and in Delhi, Jullundur and Amritsar in India. It was suggested that arrangements should be made by Lahore Banks with their outlying branches in Pakistan for the contents of local vaults and safe-deposits belonging to non-Muslims now resident in India to be transferred to Lahore. Similar arrangements should be made on the other side at Jullundur, Delhi or any other convenient place.

22. Secondly India suggested that instead of all individual evacuees having to come to Lahore Pakistan should agree to hand over safe deposits and contents of vaults to an India governments' agency holding powers of attorney from evacuee depositors in India. Individuals would still be free to come themselves if they did not wish to use this agency. India assured Pakistan of complete reciprocity. Both Dominions accepted these suggestions. Pakistan suggested that Indian States should be brought within the scope of the proposed arrangement. India agreed to advise the Indian States to accept this arrangement and promised to use their good offices to secure their early consent.

23. India pointed out that there were over 4,000 lockers and safe deposits still to be cleared in West Punjab and pressed that the numbers of permits to be granted should be substantially increased to a minimum of 250 permits per day. The Minister for Refugees, Pakistan, was of the opinion that this was not practicable, but promised to use his good offices with the Custodian to increase substantially the number of permits to be granted. Pakistan requested that permits to be issued freely by the East Punjab Custodian, and India agreed that results in West Punjab in regard to the two suggestions made would be influenced by the measure of reciprocity in East Punjab. The Chief Secretary, East

Punjab Government, stated that he undertook to secure that no applications were left unattended to and that every application for a permit would be promptly dealt with.

VII. *Restoration of licensed arms.*

24. It was agreed that licensed arms of evacuees held by each Dominion will be restored to licensees on their application, or to such governmental agencies as the other Dominion may appoint.

25. For the purpose of this agreement every license that was valid on 14th August, 1947 shall be deemed to be still valid.

26. Pakistan suggested that this agreement should be applied to States also, and both Dominions agreed to use their good offices to secure the consent of their states.

VIII. *Personal belongings of evacuees seized during Evacuation, For which receipts have been given.*

27. It was agreed that such property should be restored by both Dominions on presentation of the receipts. Property may be claimed by individual owners or by a Government agency on production of receipts issued by Government officials. Where personal belongings cannot be restored in conformity with any inter-Dominion Agreement, compensation will be paid for them directly to the owners or to the Government agency acting on their behalf.

28. Both Dominions agreed to use their good offices to secure the consent of their States to similar arrangements.

IX. *Government Securities, Certificates, Bonds, Debentures and shares of Joint Stock Companies.*

29. The Conference considered the Joint report of Mr. K. J. Headington (Pakistan) and Mr. Sachdeva (India), embodying Mr. Headington's note regarding transfer of Government Securities between the two Dominions dated the 9th March, 1948, and their joint addendum to the note in substitution for its original final paragraph (see Appendix A).

30. Both Dominions accepted the proposals contained therein and agreed to implement them with immediate effect. They also agreed to use their good offices to secure the consent of their States to similar arrangements.

X. *Funds of Cooperative Societies etc.*

31. The Registrar of Cooperative Societies West and East Punjab, presented their joint report in pursuance of the decision IV(b) of the Delhi Inter-Dominion Conference of December 19-20, 1947, endorsed also by Mr. Headington (Pakistan) Mr. M. R. Sachdova (India) and Mr. P. K. Kaul. (India) (See Appendix B).

32. The Conference approved the recommendations made in the joint report, subject to the concurrence of the Government of West Punjab; the concurrence of the Government of East Punjab was conveyed to the Conference by the Chief Secretary (Mr. Sachdeva).

XI. *Treatment of Property as abandoned which has never been abandoned.*

33. It was agreed that such cases in Pakistan should be brought to the notice of the Refugees Ministry of Pakistan by the High Commissioner. The

Refugee Minister of Pakistan stated that he would take up these cases personally and see that immediate orders were issued. India agreed to take similar action.

XII. *Miscellaneous.*

34. The questions of transfer of securities and other assets of the Trusts etc., and the restoration of property to evacuees who wish to return to their homes were postponed for consideration by the Inter-Dominions Subcommittee which is to meet on the 22nd March.

35. The agreed Press Statement signed by both Ministers and released after the Conference is appended (Appendix C).

APPENDIX A

(See para 29 of the Minutes)

NOTE REGARDING TRANSFER OF GOVERNMENT SECURITIES BETWEEN THE TWO DOMINIONS.

The ownership of Government securities and Provincial loans can, in the majority of cases, be ascertained from a scrutiny of the endorsements on the reverse of the notes, and I am of a opinion that a large proportion of such securities held by Banks can be released without endangering the rights of the proper owner who might have pledged his securities to some other person. The transfer of Government securities between the two Dominions has been withheld to ensure that the interests of nationals of both Dominions are fully protected but as a result much inconvenience has been caused to the rightful owners of such securities due to this ban, and the matter has now become of great urgency by reason of the fact that, after the 31st March, 1948, restrictions will be placed by each Dominion on the enfacement of such securities for the payment of interest at treasuries in the other Dominion.

2. The following classes of Government securities and Provincial loans could, in my opinion be released at once:—

(a) *Clean Government Securities* (*i.e.* securities which bear no endorsements on the reverse)—Government securities falling in the above category usually stand in the name of the holding bank to facilitate the collection of interest, and the question of a pledge does not, therefore, arise. Even where such securities stand in the name of an individual, there can also be no question of a pledge in the absence of an endorsement on the reverse. Such Government securities, could, therefore, be released at once.

(b) *Government Securities bearing a last endorsement from a recognised firm of brokers in favour of the holding bank or an individual.*—Government Securities falling under the above category have obviously been purchased through a firm of brokers and represent a genuine purchase in the open market. The question of a pledge cannot arise in such cases, as it is obvious that the selling broker has endorsed the securities to the genuine buyer. These securities could, therefore, be released at once.

(c) *Government securities held by a Branch of a Bank on behalf of another Branch of the same bank.*—Government securities falling under the above category have been transferred from one Branch of a bank to another Branch to facilitate the collection of interest as, for example, in the case of Punjab Government Loans, a large number of which are held in the West Punjab to

facilitate the collection of interest. There can be no question of a pledge in such cases, as the last endorsement has been made by one Branch of the Bank in favour of another. These securities should, therefore, be released at once.

3. There remains for consideration those securities which have been endorsed by one individual to another individual, and it is in such cases that doubts regarding the actual ownership has been established after a reference to the Custodian

4. To summarise my proposals, I would recommend that, as regards securities, including Provincial Loans, in the first three catagories mentioned above, banks should be allowed to transfer them in the ordinary course of business, if necessary, under the supervision of a Government official. As regards those securities endorsed by one individual to another, these should not be transferred but should be set aside pending receipt of further instructions from the Custodian.

After securities in the first three categories have been released, lists of those securities which have not been transferred should be prepared by the Banks and submitted to the Custodian for his scrutiny and further orders. Such securities should form a very small portion of the whole, and my proposals, if approved, will relieve the Custodian of a great deal of work which would arise if he is called upon to examine all securities now in the possession of Banks.

Suitable instructions will be issued to the banks on the lines indicated above, and it is recommended that similar action be taken by the Indian Dominion

5. It is suggested that Government securities should also include Post Office Cash Certificates, which are not transferable and in connection with which the questio.. of ownership is undisputed.

6. (Deleted).

K. HEADINGTON,
Banking Adviser to Government
West Punjab 9-8-48.

M. R. SACHDEVA.
15-8-48.

K. HEADINGTON.
15-8-48.

Addendum to the note of Mr. Headington dated 9-8-48

To be substituted for the deleted paragraph 6

There is no objection to the removal from either Dominion of Joint Stock Co. shares and debentures or of bonds issued by individual banks or of National of War-Savings Certificates.

The reason for this decision is that in the case of Joint Stock Cos,'. Shares, the holder only derives his title by the express consent in writing of both parties—so that if the owner has not received full value of his shares, he can refuse to sign this transfer deed; in which case the holder cannot get any benefit out of the transfer.

In the case of bonds issued by individual banks or National or War Saving Certificates, and there is no point in their removal being disallowed.

K. HEADINGTON,
15-8-48.

M. R. SACHDEVA.
15-8-48.

APPENDIX B

(See paragraph 31 of the Minutes)

A conference between the representatives of the Cooperative Departments of the West Punjab and the East Punjab was held at 10 A.M. on the 15th March 1948 in the room of Mr. K. Headington and was attended by the following:—

(a) P. K. Kaul Esq., I.C.S., F.C.D. East Punjab.

(b) M. R. Sachdev Esq., I.C.S., Chief Secretary to Government East Punjab.

(c) Ch. Ram Sarup, Registrar, C.S. East Punjab.

(d) R. S. Ram Rattan, Chief Liaison Officer, East Punjab.

(e) Mr. K. Headington, Banking Adviser, West Punjab, Lahore.

(f) Khan Bahadur Sh. Fazal-i-Illahi, Registrar, C.S., West Punjab.

(g) Syed Zahur Hussain, Deputy Registrar, C.S., West Punjab.

2. The following decisions were agreed to:—

(i) All Government Securities belonging to East Punjab Cooperative institutions and lodged with the Punjab Provincial Cooperative Bank Ltd., Lahore, either for safe custody or for purposes of overdraft or collection of interest, will be transferred by the Punjab Provincial Cooperative Bank Ltd. Lahore, before 31-3-48, to the Ambala Central Cooperative Bank, which has been declared by the East Punjab Government as their Provincial Cooperative Bank, provided that the East Punjab Central Cooperative Banks concerned owing to the Government Securities, are under no obligation to the Punjab Provincial Cooperative Bank Ltd., Lahore, and provided also that such institutions repay the deposits of their evacuee individual depositors, the evacuee individual depositors of their constituent societies and societies whose membership consists entirely of Muslims and have evacuated.

The Central Banks in the West Punjab will also repay the deposits of their individual evacuees depositors the deposits of the evacuee individual of their constituent societies and of the societies which consisted wholly of non-Muslim evacuees.

The East Punjab Cooperative institutions owning Government securities will send to the Punjab Provincial Cooperative Bank Ltd., Lahore, their authority for getting their securities transferred to the Ambala Central Cooperative Bank.

(2) In order to execute the above decision, the two Registrars should immediately exchange lists of deposits and have the balances adjusted before 31-3-48.

(3) In the case of primary societies of which the membership is mixed, no division of assets will be undertaken, but is understood that deposits of individuals of such societies who have evacuated will be repaid before 31-3-48.

(4) In the case of societies whose membership consisted entirely of evacuees, all assets will be transferred to the dominion to which the evacuees have migrated and the Registrar concerned will register necessary amendments in their by-laws making such change of address permissible.

5 The debts owed by the societies which, as a result of partition, have now gone over to the other Dominion will be paid to the creditor Central Bank by the Provincial Bank of the Dominion concerned by adjustment or otherwise as may be agreed to by both the Registrar.

6. The amounts paid by the Industrial Societies in the advertisement fund of the Amritsar Industrial Bank will be paid back by the Industrial Bank to the Punjab Provincial Bank Lahore.

7. All amounts received by the Industrial Cooperative Bank, Amritsar, on account of war supply orders will be adjusted or paid by the Industrial Bank to the societies concerned, as may be settled by the two Registrars.

8. All amounts belonging to employees of cooperative institutions by way of salary, provident fund, security deposits, etc. will be repaid by institutions of both the dominions through their respective Provincial Bank before 31-3-48.

9. The question of the division of assets of

(i) Punjab Provincial Cooperative Bank Ltd., Lahore.

(ii) Punjab Cooperative Union, Lahore.

(iii) N.W.R. Cooperative Society, Lahore.

(iv) Industrial Cooperative Bank Ltd., Amritsar.

was considered, but it was pointed out that since the matter was before the Arbitration Tribunal, it could not be discussed, being *subjudice*.

10. All decisions arrived at will be implemented by the Governments of the West Punjab and the East Punjab.

11. It is recommended that the date 31-3-48 may be extended to 30-4-48 in regard to all the decisions referred to above, provided the two Dominions extend the date of enfacement of securities for payment of interest to 30-4-48.

12. Shares and interest of members of Transport Societies and Ex-soldiers' Goods Transport Societies will be transferred to the Dominion concerned. The Registrars will arrange this.

P. K. KAUL
15-3-48.
F.C.D. East Punjab.

M. R. SACHDEVA,
15-3-48.
Chief Secretary East Punjab

FAZAL-I-ILLAHI
15-3-48.
Registrar, West Punjab.

RAM SAROP
15-3-48.
Registrar, East Punjab.

K. HEADINGTON,
15-3-48.
Banking Adviser, West Punjab.

APPENDIX C

AGREED PRESS STATEMENT

The Refugee Ministers for Pakistan and India have been holding discussions at Lahore for three days and have examined a great many matters outstanding between the two Dominions, with the assistance of administrative officers concerned.

2. Three important considerations have influenced the discussions and the decisions taken. The first is that there should be reciprocity on both sides in full and generous measure so that an atmosphere of lasting good-will may be created. The second is that, in so far as possible, both Dominions will use their good offices to persuade States that have acceded to either Dominion to fall in line with the decisions taken during this meeting. The third is that from time to time, complaints have been made by one Dominion to the other in regard to incidents involving hardship and injustice to individuals. It has been agreed that in future, whenever there is a complaint, the Dominion concerned will promptly make arrangements to investigate the incident and ask for association with the enquiry of a representative of the other Dominion. The two Ministers have agreed that drastic and exemplary action will be taken against offenders.

3. The Ministers feel that one of the most important matters which must be dealt with very quickly, concerns the recovery and restoration of abducted women. The machinery that exists for the purpose and results achieved so far have been reviewed and it is recognised that results have fallen short of exceptions. An improved machinery is being set up and an all-out effort is called for and will be made. The basis of all efforts hitherto made for the recovery of abducted women has been voluntary in character. If despite the improved new machinery, quick and satisfactory results are not achieved, stern legislation may have to be enacted to deal with the situation.

4. Exchange of prisoners has been delayed owing to certain legal technicalities. The Pakistan Government is enacting almost immediately a Central Ordinance and it is expected that India will enact similar legislation as soon as the text of the Pakistan Ordinance is available. The Pakistan Government have emphasised the importance of bringing the Delhi Province within the scope of the scheme for exchange of prisoners in respect of cases arising after the 15th of August, 1947. The Government of India are examining the question in relation to Delhi Province and a decision may be expected shortly. It is hoped that actual exchange of prisoners will be started in the near future. Meanwhile, instructions are being issued to ensure that the prisoners concerned will be treated well and taken care of in the jails of the two Dominions.

5. The Government of Pakistan have specially raised the question of discharged Muslim soldiers of the Patiala forces and their families. The Government of India agreed to use their good offices to secure that these persons are removed from Patiala at a very early date and given the option of staying in India or going to Pakistan. The Hon'ble Mr. Neogy has assured the Hon'ble Raja Ghazanfar Ali Khan that he will have this matter treated as one of top priority.

6. The decision regarding recovery of contents of vaults and safe deposits with banks has been reviewed. It is felt that the work should be expedited and steps are being taken to secure this.

7. A satisfactory agreement has been reached in regard to transfer of Government securities, certificates, bonds, debentures and shares of Joint Stock Companies held by evacuees in the two Dominions. It is expected that the work of transfer will be expedited.

8. It has been agreed that licensed arms detained by either Dominion during the process of evacuation will be restored to owners. Machinery has been set up to expedite the restoration and it has been decided that arms licenses of evacuees which were valid on 14th August 1947 will be deemed to be valid for this purpose.

9. It has been agreed that property of evacuees which has been detained in either Dominion during searches or otherwise and for which receipts have been issued by Government officials will be restored to the owners on production of such receipts.

10. As regards funds of co-operative banks in East and West Punjab Province, the Registrars of Co-operative Societies of the two Governments have evolved an agreed scheme in pursuance of a decision taken at the Conference held in December, 1947. It is hoped that the scheme will be implemented immediately. Although the matter is not directly concerned with the agreement between East Punjab and West Punjab Provinces, both Dominions have agreed to use their good offices to secure substantial application of principles of the scheme to States on either side.

11. Among other matters discussed were Provident Fund of Government and non-Government employees, including teachers, settlement of contractors dues, extension period of validity of cheques issued to such contractors and exemption from Customs search and duty of personal belongings of evacuees. For most of these matters, satisfactory solutions have been reached and it is expected that others will be settled shortly.

12 Three important questions pertaining to property will be discussed by a Committee of Administrative Officers of the two Dominions on the 22nd March. These are:—

(1) transfer of moveable property of evacuees,

(2) restoration of property to evacuees who wish to return to their homes, and

(3) an Inter-Dominion settlement in regard to immoveable property.

K. C. NEOGY
16-3-48

GHAZANFAR ALIKHAN
16-3-48

AGREEMENT No. V.—AGREEMENT IN REGARD TO MODIFICATIONS IN THE MONETARY ARRANGEMENTS BETWEEN INDIA AND PAKISTAN

In modification of the provisions of the Pakistan (Monetary System and Reserve Bank) Order, 1947, and the agreement made in December 1947, regarding the division of sterling balances, the Governments of India and Pakistan agree as follows:—

(1) *Date of termination of Reserve Bank's functions in Pakistan.*—The Reserve Bank will continue to function in Pakistan up to the 30th June 1948 in all respects as at present, *i.e.* as the currency authority, the banker of Government, agents for the management of public debt and for the exercise of exchange control.

(2) *Reduction of currency chest balances in Pakistan.*—The work of destruction or removal to India of India notes and coin held in currency chests in Pakistan will be accelerated so that the balances left over on 30th June 1948 will be reduced to the minimum possible. The Pakistan Government will ensure that all possible facilities are provided to the Reserve Bank for this purpose.

(3) *Mode of transfer of assets of the Issue Department.*—(a) If at the close of business on the 30th day of June 1948, the currency chests in Pakistan contain an excess of India notes and India or Pakistan rupee coins over the amount of Pakistan notes put into circulation up to that date, the Pakistan Government undertakes the obligation to return as expeditiously as possible to the Reserve Bank of India such excess unconditionally and shall not be entitled to receive any assets of the Issue Department of the Reserve Bank in respect thereof. All the currency chests in Pakistan shall be deemed to be transferred from the Reserve Bank to the Pakistan State Bank at the close of business on 30th June 1948 and the State Bank shall give a certificate to the Reserve Bank acknowledging the value of the excess as stated above and the obligation to return it unconditionally.

(b) The Pakistan Government undertakes that no Indian notes shall be put into circulation from the currency chests after the 30th June 1948.

(c) If at the close of business on the 30th day of June 1948, the value of Pakistan notes put into circulation exceeds the value of India notes and India or Pakistan coin held in the currency chests in Pakistan, the Reserve Bank of India will give to the State Bank of Pakistan a certificate acknowledging the value of the deficiency and the obligation to transfer to the Pakistan State Bank equivalent assets of the Issue Department of the Reserve Bank on the surrender of the certificate.

(d) Except in regard to the assets equivalent to the deficiency metioned in (c) above, which will be transferred as soon after 1st July 1948 as possible, the physical transfer of assets of the Reserve Bank to the Pakistan State Bank shall be made only after the return to the Reserve Bank of India of the excess specified in the certificate referred to in sub-paragraph (a) and shall be subject to the procedure outlined in the next succeeding sub-paragraphs.

(e) As on the 1st July 1948 the Reserve Bank will issue a certificate recognising the obligation of the Bank to deliver to the Pakistan State Bank assets equivalent to the Pakistan notes in circulation on 30th June 1948 on discharge by the Government of Pakistan of the liability to return the excess in currency chests as on 30th June 1948 in terms of sub-paragraph (a). The certificate will give particulars of the assets to be delivered.

(f) After the Pakistan State Bank has completed the return of the excess specified in sub paragraph (a), any further delivery of India notes and coins from the currency chests as on 30th June 1948, will entitle the Pakistan State Bank to proportionate assets of the Issue Department in respect of the notes. Such delivery shall be made to the Reserve Bank of India at any office in India in multiples of Re. five crores except in the last instalment, and the Reserve Bank will transfer as early as possible proportionate assets except that in the case of gold the transfer will take place in not less than a complete bar, any excess being met in subsequent instalment. The certificate issued under (e) above will be modified from time to time as transfer of assets takes place.

(g) After the completion of the delivery of India notes and coins from the currency chests equal to the Pakistan notes in circulation on 30th June 1948, the Pakistan State Bank will deliver to the Reserve Bank, in the manner as stated in (f) above, India notes returning from circulation after the 30th day of June 1948. Pending physical transfer of the assets the Reserve Bank will issue a certificate to the State Bank of Pakistan that assets equivalent to the amount so delivered are held by them on behalf of the State Bank and these certificates will be amended or cancelled from time to time on physical transfer of the assets.

(h) The State Bank of Pakistan will transfer India notes to India only by sea. If the State Bank of Pakistan makes a claim that any consignment of India notes has been irretrievably lost in transit from Pakistan to India, the Reserve Bank of India shall accept liability for the value of notes which it is satisfied have in fact been irretrievably lost.

(4) *Return of India notes.*—India notes withdrawn from circulation in Pakistan up to 30th June 1949 and delivered to the Reserve Bank by the State Bank of Pakistan will count for sharing in the profits, of the Reserve Bank up to 30th June 1948 and the division of the assets of the Issue Department as on 30th June 1948.

(5) *Cost of remittance.*—The cost of remittance from Pakistan to India of India notes and coins held in currency chests on 30th June 1948 shall be borne by the Reserve Bank. The cost of remittance of India notes and Government of India one rupee notes and coins withdrawn from circulation and delivered to the Reserve Bank shall be borne by the State Bank of Pakistan. The cost of transfer of gold and other assets from India to Pakistan shall also be borne by the State Bank of Pakistan.

(6) *Mode of transfer of Pakistan Government cash balances and bank deposits* —The amount standing to the credit of Pakistan's Central and Provincial Governments at the Reserve Bank on 30th June 1948 and the amounts required for meeting the Reserve Bank's liabilities to banks in Pakistan on 30th June 1948 shall be paid (a) in Pakistan currency to the extent that such currency is available with the Reserve Bank in the Banking Department on that date; (b) by transfer of the balance in the Reserve Bank's Pakistan account with the Bank of England to the credit of the State Bank of Pakistan Account with the Bank of England; and (c) the balance by transfed from the Reserve Bank's No II Account to a similar account of the State Bank of Pakistan with the Bank of England.

(7) *Allocation of sterling balances.*—(i) For the purpose of determining Pakistan's share in the assets of the Issue Department, the amount of sterling in the Issue Department will be notionally decreased by an amount which together with the amount of sterling in the Banking Department will be sufficient for the following liabilities:—

(a) The lump sum payable to His Majesty's Government at the time of the final settlement of the sterling balances on account of the capitalisation of the pensionary liability, for H.M.G's military stores and fixed assets as on 1st April 1947 in India, etc.

(b) The cash balances of the Central and Provincial Governments of Pakistan to the extent they are payable in sterling as provided in paragraph (6)

(c) The amounts required by the Reserve Bank to meet its liabilities towards banks in Pakistan; and

(d) The amount equal to the balance at the credit of the Reserve Bank's Account No. I with the Bank of England.

(ii) The deficiency left in the Issue Department by the above notional transfer of sterling to the Banking Department will be notionally filled by an increase in the Government of India's securities held in the Issue Department. The increase of each kind of security will be proportionate to the amounts of those securities held in the Issue Department on 30th June 1948.

(iii) To the extent considered necessary by the two Governments His Majesty's Government will be advised of the above arrangements.

(8) *Liability for one-rupee notes.*—The Pakistan Government will assume liability for the Pakistan inscribed one-rupee notes issued up to 30th June 1948. In addition, the Pakistan Government will assume liability towards the Government of India in respect of the Government of India one-rupee notes in circulation in Pakistan on 1st July 1948. The latter liability will be taken to be equal to the amount of Pakistan inscribed one-rupee notes put into circulation up to that date and this amount shall be added to Pakistan's debt to India. The Government of Pakistan shall be entitled to receive abatment of the debt so added equal to the amount of one-rupee Government of India notes returned by them up to 30th June 1949. It will be open to the Government of India to impose a ban on the import of such notes into India after 30th June 1948.

(9) *Provision for Burma's claim.*—The transfer of profits and assets of the Reserve Bank to Pakistan will be provisional pending the settlement of Burma's claim to its share of these profits and assets, subject to readjustment when Burma's claim is settled.

(10) *Exchange Control.*—Until 30th June 1948 there will be no exchange control as between India and Pakistan, nor will any restrictions be placed on the transfer of funds or securities from one Dominion to the other, whether such transfers are on capital account or current account.

(11) *Amendments to Monetary Order.*—Necessary amendments in the Pakistan (Monetary System and Reserve Bank) Order, 1947 will be made to give legal effect to this agreement.

(12) *Pakistan Coinage.*—The Government of India will furnish to the Government of Pakistan figures for the production and supply of Pakistan coins by India mints for each category of coin for the period up to the 31st March, 1948. On the basis of these figures the Government of Pakistan will determine their

further requirements from India mints and will intimate them to the Government of India. Should the Government of Pakistan decide that India mints should cease to produce Pakistan coins, they will give a notice of one month to the Government of India. If the Government of Pakistan decide not to employ the India mints for Pakistan coinage for the period originally agreed upon, the Government of India will be prepared to consider requests for helping the Labore Mint in the matter of supply of stores.

V. NARAHARI RAO,

31st March, 1948

FOR THE GOVERNMENT OF INDIA

ZAHID HUSSAIN,

31st March, 1948

FOR THE GOVERNMENT OF PAKISTAN.

AGREEMENT No. VI.—INTER-DOMINION CONFERENCE HELD AT CALCUTTA (15-4-48 to 18-4-48)

Whereas the Governments of the two Dominions agree that mass exodus of minorities is not in the interest of either Dominion and they are determined to take very possible step to discourage such exodus and to create such conditions as would check mass exodus to either direction and would encourage and facilitate, as far as possible, return of Evacuees to their anceatral homes, the two Dominions agree as follows:

SECTION I

(1) The responsibility for protecting the lives and property of the minority communities and for ensuring that they receive justice and that their civic rights are fully safeguarded rests on the Government of the Dominion in whioh the minorities reside.

(2) In Pakistan and in India every citizen shall have equal rights, opportunities, privileges and obligations; and there shall be no discrimination against the minorities whose cultural and religious rights shall be fully safe-guarded.

N.B.—"Cultural" rights include "educational" rights.

(3) Any propaganda for the amalgamation of Pakistan and India or of portions thereof including East Bengal on the one hand and West Bengal or Assam or a CoochBehar or Tripura on the other, shall be discouraged.

N.B.—The word propaganda shall be taken as including any organisation which might be set up for the purpose.

Both Governments recognise that the wholehearted co-operation of the Press is essential for creating a better atmosphere and therefore agree that every effort should be made, in consultation with the representatives of the Press, wherever possible, to enaure that the Press in each Dominion does not

(a) indulge in propaganda against the other Dominion.

(b) publish exaggerated versions of the news of a character likely to inflame. or cause fear or alarm to, the population or a section of the population in either Dominion.

(c) publish material likely to be construed as advocating a declaration of war by one Dominion against the other Dominion or suggesting the inevitability of war between the two Dominions.

(5) Complaints from minorities in both the Dominions that action is not taken on their reports against oppression or unfair treatment, should be promptly and fairly looked into and early remedial measures taken.

(6) Both in East Bengal and in West Bengal there shall be set up a Provincial Minorities Board and under the Provincial Board, District Minorities Boards for the express object of protecting the interests of the minorities, removing fear from their minds and inspiring confidence in them. These Boards shall ensure that the grievances of the minorities are promptly brought to the notice of the authorities and that they are satisfactorily and promptly dealt with.

It is suggested that the Provincial Minorities Board should be composed of five members, three of whom atleast belonging to the major minority community to be selected by the members of the Provincial Legislature belonging to

the minority communities. The remaining two shall be persons of influence and shall be nominated by the Provincial Government. The District Magistrate shall be the Chairman of the District Minorities Board and a Minister to be nominated by the Provincial Government shall be the Chairman of the Provincial Board.

(7) The two Dominions and their Provincial Governments shall declare and make it widely known to their officers and other employees that any Government servant proved to have been guilty either of dereliction of duty in protecting the lives and properties of the members of the minority community or of directly or indirectly illtreating the members of the minority community or showing prejudice against the minority community in the discharge of his duties, shall receive exemplary and deterrent punishment.

(8) Severe action shall be taken against any person or group of persons creating or attempting to create any apprehension or fear or insecurity or alarm in the minds of the minority communities.

(9) (i) The two Dominions shall take adequate steps to remove complaints regarding—

(a) discrimination in the grant of export and import licences and railway priorities to members of the minority community as such;

(b) to curb all tendencies towards an economic boycott of minorities or strangulation of their normal economic life.

(ii) The two Dominion Governments shall request their respective Provincial Governments to observe the same principles in their own sphere.

(10) The Government of East Bengal and West Bengal will promote legislation providing for the setting up of Evacuees property Management Boards in districts or areas from where a substantial exodus has taken place. These Boards will be set up only when it is established that there is a demand for their establishment. These Boards will assume management of properties only on the definite request of their owners. Their functions will be of a managerial character and they will not have the power to alienate the property entrusted to them for management. These Boards shall be composed of members of the Minority Community.

N.B.—For this purpose "Evacuee" shall be defined as a person who has left the Province in question on or after 1-6-1947 and who declares his intention to return as soon as normal conditions are restored.

A committee of officers will be appointed immediately by the two Governments to draw up detailed proposals for the necessary legislation.

SECTION II

To ensure the implementation of this Agreement, the representatives of the two Dominions shall meet at least once in two months so as to bring to the notice of each other any instances of the non-observance of the above principles in either Dominion. In the case of East Bengal and West Bengal, where the situation requires more urgent measures, the Premiers of the two Provinces shall meet once every month for the same purpose: and in addition, to begin with, the Chief Secretaries of the two Provinces shall meet once a fortnight. Whenever matters concerning Assam, Cooch Behar and Tripura are likely to be discussed, the Chief Secretary West Bengal, shall arrange for their representatives to be present.

SECTION III

(i) This Conference recommends that another Inter-Dominion Conference should be called at a very early date to which representatives of other Provinces

and States (except East and West Punjab and N.W.F.P.) from which exodus has taken place on a large scale, or is likely to take place should be invited to consider action on lines similar to those proposed above or on any other suitable lines in respect of:

(a) Protection and other safeguards for the property of refugees who have gone out from one Dominion to the other temporarily or otherwise, and

(b) creation of conditions in any affected area which will reassure the minorities that their interest and rights are fully safeguarded and will prevent exodus or will induce evacuees to return to their homes.

(2) It is further understood that a separate conference as already agreed to is to be held to consider the special problems relating to East and West Punjab and N.W.F.P. It is recommended that this Conference should also be held at a very early date.

(3) It is further recommended that a separate Inter-Dominion Conference should be called at an early date, at which representatives of East Bengal and Assam are present, to discuss the question of migration of Muslims from East Bengal to Assam and the migration of Muslims who have been in Assam prior to partition into East Bengal. Pending this Conference, both sides agree not to take any action to force or precipitate migration from one Province to the other on a mass scale. While both the Dominion Governments agree to this arrangement, Mr. Bardoloi wished to place the matter before his Cabinet.

SECTION IV.

The report of the Expert Committee appointed by the Inter-Dominion Conference to consider certain economic issues was discussed and the two Dominions agreed to give immediate effect to the recommendations made therein subject to the modifications described in the Addendum appended thereto. The report of the Committee is annexed.

K. C. NEOGY. GHULAM MOHAMMAD.

Calcutta, 19th April, 1948.

MINUTES OF THE OFFICERS COMMITTEE APPOINTED TO THE INTER-DOMINION CONFERENCE

PRESENT

India	*Pakistan*
Mr. V. Narahari Rao— *Chairman*	Mr. G. Farouque- *Leader*
Mr. H. M. Patel	Mr. Nasir Ahmad
Mr. C. C. Desai	Mr. S. A. Hasnie
Mr. Vishnu Sahay	Mr. Shearer
Mr. L. K. Jha	Mr. N. M. Khan
Mr. A. B. Chatterji	
Mr. S. K. Chatterji	
Mr. S. K. Dutt	
Mr. Himmat Singh K. Maheshwari	
Mr. B. Dass Gupta	

and also Advisers.

Mr. Farouque proposed and Mr. Hasnie seconded that Mr. Narahari Rao should take the chair during the proceedings of the Committee. This was unanimously agreed to.

2. The Committee unanimously agreed that such practical recommendations and proposals as they were to put forward with a view to removing the economic hardships and grievances resulting from the termination of the standstill agreements and the imposition of customs barriers must be as smooth and simple as possible, while ensuring at the same time the genuine and legitimate interests of both the Dominions. One of the principal factors to be kept in the background of these recommendations was that the additional irritants which gave an impetus to the exodus of minorities should be removed.

3. The items of the agenda specifically referred to this Committee were Nos. (1), (2) and (5) of the main agenda which are stated below:—

(1) To discuss situation caused by termination of Standstill Agreement between India and Pakistan and imposition of restriction on movement of goods and to find ways and means of facilitating movement under existing conditions.

(2) Pending a final Trade Agreement between India and Pakistan, to arrive at some arrangement regarding the supply by each Dominion of essential requirements of the other.

(3) Implementation all levels of Interim Agreement confirmed in FAREW telegram No. 169/Cus/47 of March 13th and Indian Ministry of Finance telegram No. 204 (F) (CUS-1)/48, of March 31st regarding free transit from one another through Pakistan territory and *vice versa*.

A few other items were also added later on and have been dealt with:

In regard to item (1) of the agenda, the Committee recommends as follows:

(1) Both Dominions must strive to reduce to the minimum the restrictions which hamper the free movement of passengers between the two Dominions and for this purpose, the following measures are recommended:—

(a) The Customs authorities of the two Dominions should together work out a common set of simple baggage rules applicable on both sides to passengers travelling from one Dominion to the other.

(b) The application of the baggage rules should be made with due consideration so as to avoid irksome restrictions and unnecessary harassment of passengers.

(c) Passenger's baggage should be checked only by duly authorised Customs staff and no one else.

(d) Personal searches should as a rule be avoided, and only carried out in cases where there is genuine suspicion of smuggling. In such cases, the search should only be conducted under the personal orders of the senior-most Customs official present and a record of all searches made should be maintained. Liaison Officers should be allowed facilities to ensure a fair application of the rules.

(e) The personal search of women passengers, if at all made, should be carried out only by Women Officers, as provided for by the Sea Customs Act.

(f) Both Dominions should re-examine their Tariff Schedules and their Import and Export Control Notifications to see what relaxations

are possible with a view to minimise or render unnecessary any Customs formalities in regard to the personal effects of passengers.

(g) Passengers should be shown every consideration and as far as possible suitable arrangements should be made to facilitate the easy movement of through-passengers without needless examination and harassment.

(h) No person other than an authorised Government servant, *e.g.*, a Police Officer duly authorised may hold up any person crossing the frontier on the ground that he is carrying or suspected to be carrying contraband goods or is smuggling. Such a person should be taken or directed to the nearest Customs post by such officer for examination and no examination of his luggage or person should be made by any one who does not belong to the Customs staff. All such authorised officers should wear distinctive badges.

(i) All authorised Customs officers should carry suitable badges or other means of identification.

(j) Once a passenger has passed the Customs frontier, no further search or examination of his luggage or person should be made.

(2) In order to facilitate the movement of goods and commodities in general the Committee makes the following recommendations:—

(a) As far as possible, the two Dominions should set up parallel Customs posts as near to each other as possible so that for each Customs post in one Dominion there is an opposite number.

(b) Having regard to economic considerations, both Dominions should try to reduce the number of commodities which when moving from one Dominion to the other, shall be subject to an import or export duty. In fact only specified articles should be liable to duty and the rest should be free. This would obviate the absurd difficulties which have arisen in regard to perishables such as fish, fresh fruit, etc.

(c) A similar examination or the Export Trade Control Notification should be made by both Dominions. There is no import control between the two Dominions at the moment.

(d) The Pakistan representatives claimed that if the Havana Charter is ratified, each Dominion will become entitled to "most favoured nation" treatment in respect of rebates of exise duties and urged that in the interests of Inter-Dominion trade such treatment should be authorised by both Dominions without further delay. The Indian representatives stated that the present practice is not, in fact, uniform and that this is due to certain practical difficulties and other circumstances. The Pakistan representatives expressed their willingness to co-operate in removing any practical difficulties and requested that a final decision on the claim clearly put forward officially should be reached within a month in order to enable them to settle their import policy. India promised to reach a decision at an early date.

(e) Where any cultivator living in a border village of one Dominion has land in a border village in the other Dominion he should be permitted within a reasonable period after the harvest, to take across the border to his residence reasonable quantities of any controlled commodities produced by him for his domestic consumption with the minimum of restriction and formalities.

The Committee adopted the following recommendations in regard to item (5) of the agenda for the approval of the two Governments:—

(1) *Transit*

(a) Each Dominion should take effective measures for the smooth implementation of transit facilities to the other Dominion in accordance with the provisions of International Agreements governing such transit.

(b) The foreign exchange earning or liability for any transit cargo moving in bond shall belong to the Dominion of origin or destination as the case may be and not to the Dominion of transit.

(c) Transit cargo should in general be given the same transport priority as is accorded to similar cargo moving internally.

(d) The Customs experts of the two Dominions should get together to evolve a procedure for transit which should be as simple as possible and take into account the peculiar difficulties arising on account of geographical and transport considerations, *e.g.*, the need of transhipment and the location of transport heads at points different from the Inter-Dominion boundary. The procedure already introduced by the two Dominions should be reviewed.

(e) The production of a certificate from a Customs Officer of the Dominion from which the goods are being sent should ordinarily be taken as conclusive evidence of the origin of such commodities at the point of entry for transit and transit facilities shall not be denied on the ground that there is any suspicion that the goods might have originally come from the other Dominion.

(f) In order to ensure the smooth working of the transit arrangements the officers of each Dominion should receive suitable instructions to co-operate with the officers of the other Dominion to avoid disputes and difficulties.

(g) Each Dominion should post Liaison Officers at important Customs outposts and important points *en route* selected by agreement in the other Dominion so as to facilitate the removal of any difficulties that might crop up. These Liaison officers should be persons specially selected for their capacity to smoothen difficulties. These Liaison Officers will also have other functions in connection with the removal of difficulties of travellers and movement of goods and baggage.

(h) Where road or river transport is involved by itself or in combination with any other form of transport, arrangements should be made for transit facilities by establishing suitable outagencies.

(2) *Transport*

(a) To ensure that transport bottlenecks and congestion are avoided mutual contacts are necessary at operational levels between the railways of the two Dominions. Operational committees consisting of representatives of the three railways in the Eastern Region and the two railways in the Western Region should be set up to deal with difficulties relating to rail transport including in particular:—

(i) delay in the turn round of wagons,

(ii) discriminatory treatment in the allotment of wagons or charging of freight,

(iii) matters affecting priorities.

(b) It is further recommended that a Railway Operational Committee be established on an inter-dominion basis which could settle broad principles of Inter-Dominion rail transport.

(3) *Facilities for Repairs*

The movement of machinery, etc. sent from one Dominion to the other for repairs and return should be dealt with under the arrangements normally provided for under the import and re-export rules. To cover, however, past cases of machinery sent before the establishment of a Customs frontier reasonable latitude shall be given for a matter of three months in the application of the rules.

(a) In order to ensure the avoidance of undue hardship resulting from the switch-over from the standstill to the new situation, the two Dominions will consider sympathetically applications for the issue of export licences for goods which were imported from overseas specially to meet orders placed by customers in the other Dominion. This is only for a short period of transition and will apply generally to shipments made and paid for before 31-12-1947. Commodities specifically ordered by dealers in one Dominion through the Ports of the other Dominion should be covered by the Standstill Agreement or the transit arrangements as the case may be and should not be denied to the persons who have ordered, paid or will pay for the goods.

(b) In view of the recent conclusions at Havana to extend transit procedure to vehicles assembled in bond in the country of transit, India will extend transit facilities for motor vehicles specifically assembled in bond in India for Pakistan subject to the foreign exchange being the liability of Pakistan. In this connection Pakistan requested that until transit arrangements become effective, a number of assembled cars considered fair by India should be allowed for re-export to Pakistan. This was accepted subject to the liability for foreign exchange being examined further.

(4) *Miscellaneous Points*

Item 2 of the Agenda.—It was recognised that regular terms of Trade Agreement could not be negotiated in Calcutta by this Committee. What this Committee was to take note of was the economic background and the pre-partition relationship between what are now two different Dominions and pending the shaping of long-term policies and adjustments, to arrive at some arrangement regarding the supply by each Dominion of the essential requirements of the other. The aggravation of the situation caused by the termination of the standstill agreement and the introduction of Customs Barriers was also to be taken note of. This had created, especially in the Eastern zone grievous hardships in the day to day life of the common man. Parts of one Dominion are dependent on the border areas of the other Dominion for daily necessities such as, fish, fresh fruit, milk products and vegetables and firewood.

The Committee agreed also that matters connected with the formulation of the terms of a possible Customs Union were outside their function and that they would have to be examined by the officers of both the Dominions on a later occasion.

At this stage of the discussions, India suggested that one way of overcoming the various difficulties would perhaps be to revive the Standstill Agreement for 3 or 6 months at the outside. This interval could then be utilised for arriving at an agreement relating to Customs union and Trade to suit the special requirements of the two Dominions. While recognising that such a procedure might have certain advantages, Pakistan representatives felt that it would not be possible to revive the Standstill Agreement.

After considering the views put forward by the representatives of the several Governments, the Committee recommended that the restrictions whether imposed by a Central or Provincial Government on the movement between the

two Dominions of commodities such as fresh fruit vegetables, fresh milk and its products, poultry and eggs, local spices, bamboo and firewood, and any customs duties thereon must be removed.

That the India Government agree to discuss the supply of mustard oil to East Bengal to be decided at a meeting to be arranged within the next 8 weeks. Until then the Pakistan Government shall continue to allow the free movement of fish without any duty.

The Committee considered that it would be in the interests of both the Dominions if an agreement or agreements could be reached in the near future for the mutual supply of commodities essential for each others economy. Such agreements and their implementation would promote the continuance of the close economic relationships which have existed in the past between the areas now included in the two Dominions. The time for the commencement of discussions on this and other connected matters should be settled between the two Governments at an early date. Meanwhile a list of commodities, the supply of which to Pakistan is considered essential by Pakistan, was considered. In view of short notice and inadequate information available at Calcutta the Pakistan representatives agreed to accept provisional replies covering at least their immediate requirements if final answers could not be given across the table. The list of commodities and the estimated annual requirements and the agreed conclusions of the Committee are shown in the Annexure to this report.

As regards the commodities the supply of which India would require from Pakistan, India's representatives stated that as detailed discussions were not anticipated, they could not put forward their full requirements under all headings. Discussions will have to take place subsequently. Meanwhile the following agreed conclusions were reached:—

(1) Pakistan should supply India's requirements of rock salt and gypsum.

(2) Pakistan should give priority to the requirements of cotton for Indian Textile Industry before exporting elsewhere except when such export is necessary for earning hard currency or for obtaining essential supplies of cotton textiles and yarns which cannot be met by India. Details would have to be settled at the forthcoming discussions for reaching a Trade agreement.

(3) Jute is of course one of the principal commodities required by India from Pakistan. Since there was no immediate difficulty in respect of jute supplies it was agreed that there was no need to bring up the matter at this stage especially as this committee were dealing primarily with items in respect of which difficulties of supplies were being experienced. but the long-term aspect of this question should be considered by the two Governments at an early date.

(4) Among the other commodities which Pakistan could supply to India were foodgrains, cement and hides and skins. It was agreed that the Government of India will prepare a quantitative statement of their requirements and communicate them to the Pakistan Government as soon as possible.

Additional Matters

A number of other miscellaneous points were discussed. These are summarised below:—

(a) Pakistan representatives suggested that in order to keep down prices the Government of India should not levy any export duty on cotton textiles

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had been explained by Mr. H. M. Patel in a letter addressed to the Hon'ble the Finance Minister, Pakistan.

(i) The Committee agreed that orders should be issued by both the Governments to the authorities concerned for terminating forthwith the unauthorised hold-up of goods, including personal effects, which had occurred in the past between the two Dominions in the light of the conclusions now reached. The articles which were already in movement through recognised carriers before the termination of the Standstill Agreement should be let through with the minimum of formalities.

LIAISON AND CO-ORDINATION

The Committee considered that it is a matter of paramount importance that there should be liaison between the officers of the two Dominions at all levels for ensuring close co-ordination and freedom from harrassment and delays of every kind. Apart from the system of the appointment of special Liaison Officers of suitable grades wherever the volume and nature of the work justified, the officers of the Provincial Governments and the Central Governments of the two Dominions should make it a point of maintaining mutual contact and goodwill with their opposite numbers with a view to the removal of each others difficulties. The successful implementation of any agreement, or rules, largely depends upon the goodwill and co-operation of officials at all levels, and the highest administrative officers of the two Dominions should endeavour to instill this spirit amongst their officers and sub-ordinates of every grade.

V. NARAHARI RAO.
18-4-48.

G. FAROUQUE.
18-4-48.

CALCUTTA,
The 18th April, 1948.

ANNEXURE

(Annually required)

Commodity	*Unit*	*Quantity*	*Conclusions reached*
Asbestos Cement . .	Sq. ft.	50,00,000	To be examined in Delhi.
Chemicals and Pharmaceuticals.	Tons.	7,670	Supplies from indigenous sources are referred to here and may be available. Quantities will be communicated from Delhi.
Coal .	Tons.	34,00,000	Interim arrangements are in existence for the present but delays in deliveries should be avoided.
Copperwire	Tons.	1,000	Pakistan Delegation stated that large surpluses for disposal were lying in India. The feasibility of supply will be examined in Delhi.

Commodity	Unit	Quantity	Conclusions reached
Cotton cloth and yarn .	Bales.	5,00,000	Immediate requirements covered by existing interim agreement.
Hardwood . . .	C. ft.	6,00,000	To be examined in Delhi.
Jute manufactures .	Tons.	30,000	India will meet Pakistan's own requirements for consumption. *Note.*—The Pakistan Delegation pointed out that the quantity mentioned is probably an under estimate and might be require an upward revision.
Leather and footwear	Sq. ft.	1,60,00,000	To be examined in Delhi.
Canvas shoes	lbs.	1,06,80,000	
Myrabollam .	Tons.	2,000	Supplies of quantities required will be allowed.
Edible oils excluding mustard oil	Tons.	36,000	Immediate requirements of 9,000t ons for the first quarter should be met. The total figure of annual requirements would, however, be subject to further examination.
Paints, Enamels and Varnishes.	Tons.	2,500	Some supplies will certainly be available but quantities will need examination in Delhi.
Paper and board . .	Tons.	20,780	Immediate release of 58 tons asked for was agreed to Dy. C.C.E. was instructed on this sport. Further supplies will be examined in Delhi.
Seed potatoes . .	Tons.	1,00,000	To be examined in Delhi.
Railways stores including rails and locomotives.		Value Rs. 4/- crores.	Do.
Steel and pigiron and scrap excluding rails.	Tons.	3,13,720	Do.
Tyres and Tubes . .	Nos.	13,00,000	Supplies considered possible But quantities to be examined in Delhi.
Woolen and Worsted goods.	lbs.	11,00,000	Do.

G. FAROUQUE.
18-4-48.

V. NARAHARI RAO.
18-4-48.

AGREEMENT NO. VII.—RECORD NOTE OF THE MEETING HELD ON 3RD AND 4TH MAY, 1948, BETWEEN THE REPRESENTATIVES OF INDIA AND PAKISTAN.

The Pakistan representatives first raised the question of the payment by India of the sum of Rs. 6 crores which India had agreed to make available to Pakistan for the setting up of Ordnance Factories and other unique institutions. It was explained by the Indian delegation that the agreement was to make this money available only as and when required and the mere fact that a provision of Rs. 6 crores had been included in the Pakistan budget did not mean, particularly in the present difficult supply conditions, that the money was immediately required. The Pakistan representatives pointed out that a part of the expenditure had already been incurred whereas the rest was to be incurred shortly and firm indents had already been placed. In view of the December agreement payment was to be made on the basis of requirements and not after actual disbursement. It was agreed that the necessary funds will be placed at Pakistan's disposal for meeting the expenditure to be incurred by them in the near future including the expenditure already incurred. The Pakistan delegation agreed to review the position once again and intimate their requirements to India.

2. The payment of the balance of Rs. 5 crores out of the allocation of Rs. 75 crores as Pakistan's share of the cash balance of the undivided Government was next raised. It was explained by the India representatives that Pakistan's share of the joint military expenditure after the partition was certain to exceed Rs. 5 crores and since Pakistan had provided no finance for meeting this joint expenditure and India had carried this expenditure for months, this amount should be treated as on account payment for Pakistan's share. Pakistan contended that the allocation of the cash balance was a separate transaction and should not be mixed up with the recovery of Pakistan's share of the joint military expenditure, the adjustment of which should be left to take its course in accordance with the prescribed procedure. The Pakistan representatives suggested that the adjustment of joint military expenditure could be expedited by the Military Financial Advisers or Auditors General of the two Dominions working in consultation in the immediate future. India could not accept this contention for the reasons already mentioned.

3. The payment of the pro-partition liabilities still outstanding was then considered. The Pakistan delegation proposed that the joint account of the undivided Government should be kept open for a further three months. The Indian delegation made it clear that they could not accept this and the viewpoints of the respective Governments in this matter, as set out in the correspondence between them, were restated. The Pakistan delegation contended that as the Government of India would not agree last December to reimburse the payments made on account of the prepartition liabilities Pakistan had actually made no payments between then and the 24th March when they were resumed on India agreeing to accept the debits for payments made till the 31st March and that they only asked to be placed in the same position as if this interruption had not actually occurred. The Indian delegation pointed out that there was an earlier agreement that till 31st March each Government will pay the claims arising in its area pending subsequent adjustment, that Pakistan had no justification for stopping payments and that such stoppage did not by itself confer any right to Pakistan for an extension of the date.

The India delegation also pointed out that after the unconditional allocation of the available cash balance of the undivided Government the fact that India agreed to pay from its cash balance the prepartition liabilities upto the 31st March was in itself a concession and that the current sharing of the outstanding liabilities was the only fair and equitable arrangement. The Pakistan representatives pointed out that the fact that there was an agreement whereby India was to reimburse Pakistan in respect of pre-partition claims, clearly recognised that this was to be done in spite of the allocation of the cash balances. The agreement on prepartition liabilities, therefore, stood by itself and required to be fully implemented. In view of the fact that its working had been considerably impaired by India's attitude, the only way of implementing it now was to extend the period upto which the joint account would remain open by three months from the date of decision by the conference.

Asked about how the liabilities still remaining after the joint account was closed, even an Pakistan's proposal would be met the Pakistan representatives suggested that after the closing of the joint account each Dominion should take final liability for the outstanding claims in its area.

The Pakistan delegation made it clear that they could not discuss the problem further unless an agreement was reached on the question of extending the period of the joint account.

The India Delegation stated that as it had not been possible to reach any settlement, India would meet the legal liability to third parties for supplies and services rendered to the undivided Government before partition and Pakistan's share of this would be added to its debt. Asked if the Pakistan authorities would be prepared to check the claims arising in their area and pass them on to India for payment the Pakistan representatives replied in the affirmative.

The Indian delegation pointed out that if this position was reached it would follow, as a corollary, that there will be no sharing of any further prepartition receipts. The Pakistan representatives could not agree to this as in their view any specific decisions already taken must be implemented by themselves.

The point was also made by India that any cash realisations from the disposal of surplus military stores and any receipts from H.M.G. as a result of the final allocation of the defence expenditure would not also be shareable and would be set off against the payment to H.M.G. on account of surplus Stores and installations for which the rupee finance will found by India. The Pakistan representatives stated that this was a new point and would have to be further considered by them.

4. The payment to the Provinces of the provincial share of the income tax upto the 15th of August 1947 and other similar payments that the old Central Government would have been made but for the partition was then raised. The India representatives pointed out that this was in a category different from that of the claims of third parties like contractors. These could reasonably be considered as so many promises by the old Government to the provinces and it was for the dominion Government concerned to pay (or not to pay) to the provinces now in its area the amount which would have been paid by the old undivided Government. Obviously, the India dominion could not be expected to pay anything on this account to the provinces in Pakistan after the available cash balance of the undivided Government, from which these payments would have been met by that Government had been allocated between the two Governments and Pakistan had received something like 28 per cent. of the available cash balance. The Pakistan representatives strongly refuted this suggestion and maintained that no

distinction could possibly be drawn between claims of Provincial Governments and third parties. The legal position in this respect was clear beyond doubt. They also pointed out that this view was being advanced by India for the first time for ever since the question of the payment of the Provincial share of Income Tax to the Provinces was taken up with India in November 1947, India had always pointed out that payment could not be made as the accounts figures were not yet available and had at no stage questioned the propriety of such payments being made by the Dominion of India. India did not accept this contention.

5. The Pakistan delegation then raised the question of paying the Pakistan opted staff arrears following the implementation by India of the Pay Commission's recommendations. It was argued that the undivided Government had more than once announced its intention to give effect to the Commission's recommendations and that irrespective of what Pakistan did after the partition the employees who had opted for Pakistan should get their arrears as employees, till partition, of the undivided Government of India. The employees had a perfectly valid claim against the Government of India for the period from 1st January 1947 to the 14th August 1947 and this claim was supported by the local provision. The India delegation could not accept this view. The Indian Dominion alone had decided to implement the Commission's recommendations and would foot the entire bill for it. The Pakistan Government had not only not implemented the recommendations of the Pay Commission but had on the other hand objected to the Indian Government implementing the recommendations in respect of their own staff in a joint establishment. The Pakistan delegation held that the non-acceptance by the Pakistan Government of the Indian Pay Commission's recommendations was not very relevant for even if the recommendations had been accepted, the arrear liability for the period from the 1st January 1947 to the 14th August 1947 would have in any case devolved on the Government of India.

6. The question of adjusting the debits raised by the Pakistan Accounts Officers in respect of payments made up to the 31st March was then discussed. The Pakistan representatives contended that the reversal of these debits was unjustified and said that the correctness of these was under examination. They reiterated their offer to withdraw such of the debits as they may find to be unjustified. The Indian delegation pointed out that the amounts involved were of an improbable magnitude and there was clear evidence that substantial amounts had been debited on account of book adjustments for which there was no authority. It also appeared that in East Bengal debits had been raised, not for actual payments, but for lump sum imprests with disbursing officers, like Collectors, for payment of claims. In view of these obvious irregularities India could not, even provisionally, accept these debits but the undertaking that debits for *actual* payments would be accepted, subject to subsequent verification by audit, would be honoured.

7. The Pakistan representatives then mentioned a number of points about the Railways. Their first complaint was that the East Bengal Railway had not been receiving the share of revenue due to it for cross traffic. It was pointed out that the normal process of adjustment between Railways through the exchange of Division Sheets had not been functioning properly, and the Indian Railways on their part had also not received their share of the receipts in respect of traffic originating in Pakistan Railways. It was agreed that the Railway Boards of the two Dominions should get together and revolve a suitable procedure for expediting these adjustments. The Pakistan representatives also complained that the Jodhpur State had demanded advance payments before transferring a section of the railway line to Pakistan and that this did not conform to the normal arrangements between the Dominions.

21! Lza! E^«±z2BE4! 1Cz1! 1CE! zaaE1a! 2B! _WEa12PB! TP/! LC2AC! «zDB2EB1! Cz4! MEEB! A±z2^ E4! ME±PBZE4! 1P! 1CE! 6P4C«W! 81z1E! zB4! BP1! 1P! 1CE ; B42zB! NP^ 2B2PB! 1B4! 1Cz1! LP/JzMEE! z//zBZE^ EB1! APW¼! MEa1! ME! 4Em2aE4! 2B! 42aAW?! a2PB! L21C! 1CE! AWlCP<! /2±2Ea! APBAE/BE4! 2Ba1Ez4! PT! 2^«P/12BZ! 1CE! 2B1E/<4P^ 2B2PB! «/PAE4WE! 2B1P! 1±2E! ^ z11E/'! ; 1! Lza! CPL EmE/1! zZ/EE4! 1Cz1! 9zJ2a1zB! ±2z2±LzD! ? Pz/4! ^ 2ZC1! z44/Eaa! 1CE! ? z2±LzD! ? Pz/4! ; B42z! 2B! 1C2a! ^ z11E/! LCP! LPW¼! 1zJE W! 1C2a! ^ z11E/! L21C! 1CE! 6P4C«W! 81z1E! 1C/PWZC! 1CE! 81z1Ea!] 2B2a1/D! 82^ 2±z/±D! L21C! /EZz/4! 1P! z! '- P^«±z2B1! 1Cz1! 1CE! F''! ;'! Fz2±LzD! Lza! zaJ2BZ! TP/! zB! z4mzBAE! «zD^ EB1! 2B! /Ea«EA1! PT! aW«±2Ea! PT! MPW¼E/a! 2!! Lza! zZ/EE4! 1Cz1! 1CE! aDa1E^ ! PT! z4mzBAE! «zD› ^ EB1a! Lza! 2/JaP^ E! zB4! 1Cz1! 1CE! «/PAE4WE! TP/! aW«±2Ea! zB4! «zD^ EB1a! aCPW¼! ME! 42aAWaaE4! ME1LEEB! 1CE! $z2±LzD! ? Pz/4a! zB4! aE11±E4'

c'! =! BW^ ME/! PT! ^ 2aAE±zBEPW¼! «P2B1a! LE/E! 1CEB! 42aAWaaE4'! ; 1! Lza! ^ EB› 12PBE4! 1Cz1! z! BW^ ME/! PT! E^«±PDEEa! LCP! Cz4! E21CE/! /E12/E4! @'! LE/E! PB! ±EPm2! «EB42BZ! /E12/E^ EB1! L21CPW¼! P«12BZ! TP/! E21CE/! NP^ 2B2PB! APW¼! BE1! ZE1! 1CE22! 4WEa! aE11±E4'! QCE! «/PME^ a! ^ z2B±D! APBAE/BE4! 1CE! 8EA/E1z/D! PT! 81z1Ea! 8E/m2AEal! 1CE! —z2±LzDa! zB4! NETEBAE! 8E/m2AEa! zB4! 21! Lza! zZ/EE4! 1Cz1! 1CE! zWlCP/212P22! HAPBAE/BE4! 2B! MP1C! 4A^ 2B2P2Ba! aCPW¼! 2B! ^ WlWz±! APBaW¼1z12PB! EmP±mE! wpAP^ ^ PB! «/PAE4WE! TP/! 1CE! mE/2E2Az12PB! zB4! Ez/±D! «zD^ EB1a! PT! 1CE! P±z2^ B! ; 1! Lza! z±aP! zZ/EE4! 1Cz1! 1CE! =W121P/a! i EBE/z±! PT! 1CE! aE11±E^ EB1! PT! 1CE! zAAPWB1a! ME1LEEB! 1CE! 1LP! 74P^ 2B2PBa! z®z! mE/D! Ez/±D! 4z1E¼! QCE! E 4a12BZ! «/PAE4WE! Cz4! BP1! LP/JE4! LE±! zB4! 1CE! ^ z11E/! Lza! PT! aP^ E! WZEBAD! za! 1CE! $EaE/mE! ? zBJ! LPW¼! AEzaE! ±P! M! 1CE! AP^ ^ PB! MzBJE/! T/P^ ! 1CE! &a1! 6W±D! &5c'! =BP21CE/! PWla1zB42BZ! «P2B1! k wz! z±aP! ^ EB12PBE41! m2 '! 1CE! «/PAE4WE! TP/! 1CE! 1/zBaTE/! PT! «EBa2PBa! ME1LEEB! 1CE! 4P^ 2B2PBa! zB4! 1CE! T2BzBA2z±! z4 |Wa1^ EB1a! ME1LEEB! 1CE^ '! QC2a! a12±! /E^ z2BE4! 1P! ME! 42aAWaaE4! zB4! 1CE! ^ EE12BZ! 4EA24E4! 1Cz1! 1C2a!<aCPW¼! ME! 1zJEB! W! M9! wz/±D! za!«Paa2ME!

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EzAC! NP^ 2B2PB! BEE4a! T'P^! 1CE! P1CE/! CzmE1! aWM|EA1! 1P! /z12EEz12PB! MD! 1CE2/!
/Ea«EA12mE! i PmE/B^ EB1al! zZ/EE4! za! CE/EWB4E/§

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T'P^! PBE! NP^ 2B2PB! 1P! 1CE! P1CE/'! ;1! Lza! zZ/EE4! 1Cz1! 2^«P/1E4! ZPP4a! LC2AC!
Cz4! MEEB! aC2«E41! zB4!«z24! TP/! 2B! E21CE/! NP^ 2B2PB! MEIP/E! 1CE! b&a1! PT! NEAE^ ME/!
&I50! PW1! PT! 1CE! WB42m24E4! E°ACzBZE! zAAPWB1! L2±! ME! z±PLE4! 1P! ME! /E±E°«P/1E4!
1P! 1CE! P1CE/! NP^ 2B2PB! LCE/EmE/! 21! 2a! Ea1zM2aCE4! 1Cz1! 1CE! ZPP4a! LE/E! P/2Z2Bz±D!
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b'! QCE!«E/2P4! PT! 1CE! zZ/EE^ EB1! L2±! ME! PBE! DEz/! T'P^! &a1! 6WD! &+5c! 1P! 1CE!
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Bz/2ED! ME! ^ z4E! 1C/PWZC! AP^ ^ A/A2z±! ACzBBE±a'!-P^ ^ P4212Ea! LC2AC! z/E! BP1! aWM|EA1!
1P! C(D! APB1/P±! E21CE/! 2B1E/Bz±D! P/! TP/! E°«P/1!«/EaEB1! BP!«/PME°a'! ;B! 1CE! AzaE!
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nz/2E12Ea! 1CE! 6gW4J! PT! LC2AC! 2a! BP1! aW2lzM4E! TP/! WaE! 2B!;B42zB!] |±a! zB4! 2a! WaWz±D!
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ACz/ZE4! TP/! aW«±2Ea! 1P! 2a! PLB! 4E2E2A2!9/Pm2B?'T2a'!;B42z! zZ/EEa! 1P! aW«±D! a1EE±!
T'P'M! -z±AW1z! z1! T'P'M! -z±AW1z!«/2AEa'! QCE! T'EZZC1! L2±! ME! CP^E! MD! 1CE!
MWDE/a'!;B42z! z±aP! zZ/EEa! 1Cz1! 1CE! 2B1E/Bz±! APB1/P±E4!«/2AE! PT! APz±! zB4!«z«E/!
L2±! APB12BWE! 1P! ME! ACz/ZE4! TP/! az±Ea! 1P! 9zJ2a1zB! z±aP! 8W«±2Ea! PT! APz±! 1P!
1CE! i PmE/B^ EB1! PT!9zJ2a1zB! L2±! ME!«z24! TP/! PW1! PT! 2/EmPAzME! A/E421a! 1P! ME

opened by the Pakistan Government. Other supplies of coal to Pakistan will be made on prepayment by the purchasers in the usual manner. The prices indicated are exclusive of any export or import duties that may be levied by either Dominion.

8. It was agreed that subject to seasonal considerations each Dominion should spread its purchases as uniformly and conveniently as possible.

9. In order to implement the Agreement in a smooth and orderly way, it was agreed that monthly progress reports should be exchanged between the two Dominions, and that meetings between representatives of the two Dominions should be held every other month for this purpose.

10 During the currency of this agreement items may be added to or taken away from the lists of commodities included in the annexures by mutual agreement between the two Dominions.

C. C. DESAI MOHD. ALI

Karachi, dated the 26th May 1948.

ANNEXURE No. 1

Requirements of Pakistan

Sl. No.	Commodity	Pakistan's stated annual requirements	Quantity agreed to by India	Remarks
1	2	3	4	5
1	Coal	3,400,000 tons.	183,000 tons per month (including as far as possible 5000 tons of hard coke).	160,000 tons per month are firm. As for the balance of 23,000 tons, India will make every effort to move this quantity, subject to adequate transport being available, and will also invite the co-operation of Pakistan in this matter.
2	Cloth and Yarn	400,000 bales.	400,000 bales.	One fourth of this total quantity would be in the form of yarn.
3	Steel, pig iron and scrap.	313, 720 tons.	15,000 tons per quarter plus 1,000 tons per quarter of corrugated iron sheets plus 4,009 tons of pig iron per quarter.	
4	Paper and board	20,700 tons.	6,000 tons of paper and 1,500 tons of board.	

1	2	3	4	5
5	*Chemicals and Pharmaceuticals*			
	Sulphuric acid	2,000 tons.	..	Will be examined in Delhi.
	Aluminium Sulphate	2,000 "	..	Do.
	Hydrochloric Acid	270 "	270 tons.	
	Nitric acid	200 "	200 "	
	Magnesium Sulphate	800 "	800 "	
	Ferrous Sulphate	400 "	..	Will be examined in Delhi.
6	Copper wire	1,000 tons.	Nil.	
7	Asbestos cement sheets.	5,000,000 sq. ft. (5,000 tons.)	2,500 tons.	As regards the balance India will explore possibility of supplying Mangalore tiles instead.
8	Paints, enamels and varnishes.	2,500 tons.	2,500 tons.	Detailed breakdown not yet furnished. While the overall quantity could be supplied, certain quantities may not be available and substitute would be suggested.
9	Railway stores	39·3 lakh rupees.	..	Supplies may be available but details will be considered in Delhi.
10	Tyres and tubes	1,300,000 nos.		It should be possible to supply most of this requirements but detailed breakdown according to tyre size and quality required. Matter will have to be examined.
11	*Leather and footwear.*			
	Upper leather	60,00,000 sq. ft.		It should be possible to meet this demand in full provided adequate quantities of hides are available.
	Sole leather	75,00,000 lbs.		
	Lining leather	4,00,000 lbs.		
	Leather shoes	6,00,000 nos.		
	Canvas for	3,00,000 shoes.		
12	Hardwood	5,00,000 c.ft. (10,000 tons.)	Nill.	India offered to supply instead 10,000 tons of Malabar jungle wood of which samples would be furnished to Pakistan.
13	Jute manufactures	50,000 tons.	50,000 tons.	
14	Myrabollams	2,000 "	2,000 "	
15	Woollen and worsted goods.	11,00,000 lbs.	11,00,000 lbs.	
16	Mustard oil	50,000 tons.	20,000 tons.	..
17	Groundnut oil	30,000 "	5,000 "	..
18	Copra Oil	6,000 "	Nil.	..
19	Seed potatoes.	..	..	Export would be allowed of local surpluses in both Dominions.

1	2	3	4	5
20	Soap, Toilet	2,000 tons.	2,000 tons.	
21	Tobacco (flue-cured).	7,00,000 lbs.	7,00,000 lbs.	
22	Tea Chests	3,00,000 pieces		The demand was put forward only in Karachi for the first time. Stated to be urgently required for the tea industry in East Bengal. Will be considered in Delhi.

ANNEXURE No. II

Requirements of India

Sl. No.	Commodity	India's stated annual requirements	Quantity agreed to by Pakistan.	Remarks
1	2	3	4	5
1	Raw jute	1,000,000 tons. or 5,500,000 bales.	5,000,000 bales.	
2	Raw cotton	900,000 bales.	650,000 "	The proportion of medium and long staple cotton to be decided later.
3	Foodgrains.			
	(a) Rice	100,000 tons.	175,000 tons.	Pakistan agrees to supply 175,000 tons of food grains (mainly rice) unless there is a serious failure of crop i.e. to say if the rice crop is 4 annas or more below the average of past five years. Pakistan further agrees to do its best to improve upon this quantity.
	(b) Wheat	200,000 tons.		
4	Gypsum	1,000 tons per day.	Rising to 1,000 tons per day under a programme to be mutually agreed upon.	
5	Rosin	4,000 tons.	Nil.	
6	Raw hides and skins—			
	(a) Cow hides	2,000,000 pcs.	1,000,000 pcs.	
	(b) Buff. hides	600,000 "	300,000 "	
	(c) Skins	1,600,000 "	1,500,000 "	

No.	2	3	4	5
7	Rock salt	2,000,000 mds.	2,000,000 mds.	
8	Soda Ash	10,000 tons.		Factory is at present closed but is expected to get into normal production by end of 1948. It is hoped to meet India's demand in 1949.
9	Potassium Nitrate	5,000 tons.	5,000 tons.	
10	Cattle	1,050 heads.	550 heads.	

In order to facilitate proper fulfilment of the Agreement entered into between the two Dominions at Karachi in May 1948, the Delegations of the two Dominions have, after full discussion, agreed subject to ratification by the respective Governments, on the following clarifications and arrangements.

Cotton.—The Indian Delegation stated that the fixation of monthly quotas for the supply of cotton with a lapsing clause was not acceptable and should be reviewed. The representatives of the Pakistan Government agreed to fix an export quota of 360,000 bales for India for the period ending 31st January, 1949, provided that if Indian purchases during the period fell below 325,000 bales such shortfall will be liable to lapse. The Pakistan Government representatives agreed that export quotas to other countries and purchases by them and for internal consumption in Pakistan will not together exceed 360,000 bales during the same period. Pakistan representatives further agreed that consideration of fixation of quotas on a monthly or quarterly basis for subsequent periods be postponed and examined in due course by prior consultation in the light of working of this arrangement as a whole.

Foodgrains.—At the concern expressed by the Government of India at the inability of Pakistan to supply foodgrains as a result of unexpected floods during the current crop season, the representatives of Pakistan assured the Indian Delegation that they were most anxious to implement the Agreement and that they would make their best endeavours to supply the stipulated quantity of foodgrains from their next Rabi crop.

Coal.—Pakistan's representatives emphasised their inability to move cotton without supply of coal from India. They stated that hitherto they have not received the full quantity which India had promised to supply. At the same time Pakistan appreciated the difficulties which India had to encounter in supplying the full quantity of coal. The Indian Delegation assured the representatives of Pakistan that realising the importance of coal to Pakistan, they would take steps to ensure that full quantity of coal is supplied every month.

Other Commodities.—The representatives of Pakistan stated that nothing has been received from India against the quotas of steel, asbestos cement sheets, sulphuric acid, tyres and tubes, etc.

The Indian Delegation reiterated that they have every intention of fulfilling the terms of the Agreement. In this connection the Indian Delegation

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It was agreed that the supply of cloth and yarn to Pakistan by India will be on Government of India account. For this purpose, Government of India will use such agencies as they consider necessary. The Government of Pakistan will be free to use any agencies they consider necessary—a Government agency or a private trade agency—but there should be no more than one such agency for East Bengal and another for the rest of Pakistan.

2. For cloth supplied to them, Pakistan will pay to the Government of India the Controlled ex-mill price plus the fixed exporter's margin of 15 per cent. plus an export duty of 10 per cent. This will be in modification of the present scale of export duty.

3. It was agreed that any increase of export duty or of the exporter's margin by the Government of India would not affect the present agreement. On the other hand, if the Government of India reduced the general export duty below 10 per cent. or exporter's margin for the above countries below 20 per cent. Pakistan would get the benefit of such a reduction.

4. It was agreed that for yarn supplied to them, Pakistan would pay the Controlled ex-mill price plus an exporter's margin of 10 per cent. This percentage will be subject to reconsideration between the two Governments should Government of India propose to impose an export duty on yarn.

5. All the above prices would be for cloth or yarn F.O.B. Indian ports or F.O.R. in case of despatches from mills by all rail route.

6. For cloth and yarn purchased by them, Pakistan would pay by Irrevocable Letters of Credit payable to the Government of India.

7. Existing or future restrictions as regards widths applicable to exports to other countries will not apply to cloth supplied to Pakistan.

8. The Government of Pakistan will be given facilities for the inspection of cloth and yarn at godowns or docks before shipment takes place. The inspection will be on the basis of a maximum of 2 per cent. examination of each variety in every consignment. Disputes, if any, will be dealt with jointly by the Textile Commissioner of India and the Textile Commissioner of Pakistan.

9. Pakistan desired that the cloth supplied to them should be price-stamped in the same manner as cloth for internal consumption in India. This was agreed to.

10. It was agreed that cloth supplied to Pakistan should be in the following proportions:—

Superfine—5 per cent.

Fine—10 per cent.

Medium—50 per cent.

Coarse—35 per cent.

Within these ranges, the qualities and varieties of cloth to be supplied to Pakistan will be settled by agreement between Textile Commissioner, India, and Textile Commissioner, Pakistan. Textile Commissioner, India, will also consult Textile Commissioner, Pakistan, about the mills from which supplies to Pakistan will be drawn.

11. It was agreed that Pakistan would endeavour to purchase 75,000 bales of cloth and 25,000 bales of yarn before the 31st of December, 1948 Thereafter, during the months of January to June 1949, Pakistan will be entitled to purchase cloth and yarn on a monthly average basis of 37,500 bales of cloth and 12,500 bales of yarn subject to a maximum of 45,000 bales of cloth and

15,000 bales of yarn in any one month. The balance of purchase, if any, will be completed before the end of August, 1949. The Textile Commissioner, Pakistan, will intimate to the Textile Commissioner, India, his firm demand for every month before the end of the previous month.

12. If purchase of cloth by Pakistan during any month falls short of 37,500 bales, the difference between 37,500 bales and the quantity actually purchased will be carried forward, subject to the proviso that the quantity carried forward from one month to another will not exceed 7,500 bales and subject also to the limit of maximum purchase in any one month mentioned in para. 11 above.

13. Where any part of Pakistan quota lapses due to the operation of this provision, Government of India will attempt to supply cloth against such lapsed quota during July-August, 1949 to the extent possible, if requested to do so by the Government of Pakistan.

14. These conclusions are subject to approval by the two Governments.

C. C. DESAI
10-11-48.

G. FARUQUE,
10-11-48.

AGREEMENT NO. IX—AGREEMENT MADE THIS THIRTIETH DAY OF JUNE, 1948 BETWEEN THE DOMINION OF INDIA AND THE DOMINION OF PAKISTAN.

Whereas the provision contained in Section 18 of Part IV of the Pakistan (Monetary System and Reserve Bank) Order, 1947, as subsequently amended, which prohibits exchange control as between India and Pakistan and any restrictions on the transfer of funds or securities from one Dominion to the other, is due to expire on the thirtieth day of June 1948:

And whereas it is to the advantage of both the Dominions that no unnecessary restrictions should be placed on exchange transactions and the transfer of funds and securities between the two Dominions;

It is hereby agreed as follows:—

ARTICLE I

The official rate of exchange as between the India rupee and the Pakistan rupee will continue to be at par, and will not be altered by either Government except after due notice and mutual consultation.

ARTICLE II

As soon as the necessary arrangements can be made the Government of Pakistan will become a member of the International Monetary Fund, and for that purpose will declare the par value of the Pakistan rupee to be equal to 0.268601 grammes of fine gold.

It is assumed for the purposes of this Agreement that this parity will be accepted by the authorities of the Fund.

ARTICLE III.

(1) There shall be no exchange control as between India and Pakistan, nor shall any restrictions be placed on the transfer of funds or securities from one Dominion to the other, whether such transfers are on capital account or current account. In particular there shall be no restrictions on transfer of evacuee funds in private hands. The transfer of evacuee funds in the hands of Custodians of Evacuee Property will be arranged after mutual consultation between the Reserve Bank of India and the State Bank of Pakistan (hereinafter referred to as "the Reserve Bank" and "the State Bank", respectively) in order to ensure orderly transfer without undue strain on exchange resources.

(2) Nothing contained in the preceding paragraph shall apply in relation to the transfer of gold or silver (in whatever form) between the two Dominions. Either Government may impose restrictions on such transfer, subject to such exemptions in regard to evacuee property as may be agreed upon by the two Governments.

ARTICLE IV.

(1) The Reserve Bank, acting as agents of the Government of India, shall sell to the State Bank, acting as agents of the Government of Pakistan, India rupees to such extent as may be required for payments which persons in

Pakistan are permitted under the exchange regulations in force in Pakistan to make to India; and such sale shall be—

(a) against Pakistan rupees to be credited at the official rate of exchange to the Reserve Bank's account with the State Bank, provided that the balance standing to the credit of that account is not thereby increased above a maximum of fifteen crores of Pakistan rupees; and thereafter

(b) against sterling to be credited at the official sterling parity to the Reserve Bank's No. I Account with the Bank of England, provided that the total amount of sterling so transferred shall not exceed seven and a half million pounds; and thereafter

(c) against sterling to be credited at the official sterling parity to the Reserve Bank's No. II Account with the Bank of England.

(2) The State Bank, acting as agents of the Government of Pakistan, shall sell to the Reserve Bank, acting as agents of the Government of India, Pakistan rupees to such extent as may be required for payments which persons in India are permitted under the exchange regulations in force in India to make to Pakistan; and such sale shall be—

(a) against India rupees to be credited at the official rate of exchange to the State Bank's account with the Reserve Bank, provided that the balance standing to the credit of that account is not thereby increased above a maximum of fifteen crores of India rupees; and thereafter

(b) against sterling to be credited at the official sterling parity to the State Bank's No. I Account with the Bank of England, provided that the total amount of sterling so transferred shall not exceed seven and a half million pounds; and thereafter

(c) against sterling to be credited at the official sterling parity to the State Bank's No. II Account with the Bank of England.

ARTICLE V.

(1) The Reserve Bank shall have the right at any time to sell to the State Bank against all or part of the India rupees held by that Bank either Pakistan rupees at the official rate of exchange or sterling from the Reserve Bank's No. I Account with the Bank of England at the official sterling parity.

(2) The State Bank shall have the right at any time to sell to the Reserve Bank against all or part of the Pakistan rupees held by that Bank either India rupees at the official rate of Exchange or sterling from the State Bank's No. I Account with the Bank of England at the official sterling parity.

ARTICLE VI.

In the event of either Government taking action which results in a depreciation of its currency in terms of the currency of the other Dominion, India rupees held by the State Bank, or, as the case may be, Pakistan rupees held by the Reserve Bank, shall be revalued on the basis of the new parity, and the account of whichever Bank incurs a loss as a result of such revaluation shall be written up by the credit of additional India rupees or Pakistan rupees, as the case may be.

ARTICLE VII.

The Reserve Bank and the State Bank will collaborate to maintain the India and Pakistan rupees at parity with each other and to that end will take

steps to enforce the use of the official rate as the basis of all transactions involving a relationship between the two currencies in the markets under their control.

ARTICLE VIII.

Any India rupees held by the State Bank shall be held and invested only as may be agreed by the Reserve Bank and any Pakistan rupees held by the Reserve Bank shall be held and inveated only as be agreed by the State Bank.

ARTICLE IX.

The Reserve Bank and the State Bank shall maintain close contact on all technical questions arising out of the present Agreement.

ARTICLE X

This Agreement shall come into force on the first day of July 1948 and shall remain in force for a poriod of one year, but shall be reviewed three months before the date of its termination;

Provided that if during the currency of this Agreement the transfer of funds from one Dominion to the other assumes such large proportions as to involve undue strain on the foreign exchange reserves of that Dominion, the two Governments shall consult together with a view to modifying the Agreement:

And Provided always that in the event of either of the two Dominions ceasing to be a member of "the scheduled territories" as defined in the Exchange Control Act, 1947, of the United Kingdom, the provisions of this Agreement shall be in abeyance pending consultation between the two Governments.

In witness whereof the Secretary to the Government of India in the Ministry of Finance, and the Secretary to the Government of Pakistan in the Ministry of Finance, having been duly authorised by their respective Governments, have appended their signatures.

Done in duplicate at Karachi this Thirtieth day of June 1948.

For the Government of India

V. NARAHARI RAO,
Secy. to the Govt. of India,
Ministry of Finance.

For the Government of Pakistan.

V.A.C. TURNER,
Secretary to the Govt. of Pakistan,
Ministry of Finance.

AGREEMENT NO. X—MINUTES OF THE INTER-DOMINION CONFERENCE HELD IN LAHORE ON JULY 22nd, 1948.

ITEM I OF THE AGENDA

(1) The draft scheme for Inter-Dominion Evacuee Property Agreement prepared by the Joint Official Committee at Lahore (March 22nd to 25th 1948) was considered by the Conference, and the following decisions were reached:

PART I. GENERAL.—I. AREA TO WHICH APPLICABLE

(2) It was agreed that the areas should be extended to include in India, Ajmer-Merwara, Malerkotla State, the Matsya and Rajasthan Unions, Saurashtra, Jaipur State, Jodhpur State, and Western Districts of the United Provinces (which shall in any case include the districts of Saharanpur, Debra Dun, Meerut and Muzaffarnagar). Pakistan was to forward a list of any further areas which they might wish to be included, for India's consideration.

II. GENERAL PRINCIPLES

(3) The following new sub-section (4) should be added to section 2 as follows:

> "Throughout this agreement whatever has been laid down as applicable to any Province or to its Government shall be applicable to any States or to the Government of any such States as have acceded to either Dominion and are included in the area to which this agreement now becomes or hereafter becomes applicable".

(4) India said that evacuees had been moving from all parts of one Dominion to all parts of the other and in so far as India was concerned, they were prepared to extend the agreed area to cover the whole of both Dominions. Pakistan agreed to consider this proposal.

PART II. AGRICULTURAL PROPERTY

(5) The main question to be decided in this part was whether the settlement should be as between the Governments of the two Dominions or as between individual evacuees. Pakistan were of the view that no definite decision could be taken on this point until more data were available. For this purpose special Revenue Officers were to be appointed by both Dominions. Copying of revenue records should start forthwith. A special Joint Committee should be set up to supervise and expedite the whole work.

(6) It was further agreed that with a view to ensuring more equitable management of evacuee properties and the early payment of rents due to evacuee owners during the interim period, an officer of the other Dominion should be associated with the Custodians of Evacuee Property of each Dominion.

PART III. URBAN IMMOVABLE PROPERTY

(7) Here again the main question to be decided was whether the settlement of this type of property should be on a Governmental or an individual basis India felt that it might be advantageous to pool for purposes of exchange on a Governmental basis all properties valued below a certain figure to be agreed

upon between the two Dominions property above that value would be open to unrestricted private sale and exchange. With this end in view it would be necessary to collect more date in regard to urban property.

(8) Pakistan's view was that, while the suggestion might prove practicable, it certainly presented enormous difficulties and would probably take an unduly long period to put into operation.

(9) It was finally agreed that the Joint Urban Assessment Board contemplated in Section 7 of this part should be set up and its functions enlarged to include assessment of the value of property. It was further agreed that an officer of the other Dominion should be associated with the Custodians of Evacuee Property of each Dominion with a view to ensuring equitable management and early payment of rents due to evacuee owners. India suggested that pending a final settlement it might be advisable to allow freely exchanges of Urban Immovable Property, Pakistan agreed to consider this proposal.

PART IV. HOUSES AND SHOPS IN RURAL AREAS

(10) It was decided that whatever decisions were finally taken in regard to Parts II and III should be made to apply to Part IV also, according to the category of property concerned.

PART V. MOVABLE PROPERTY

(11) The proposals were accepted by both Dominions subject to the following modifications:—

The Joint Government Agency to be set up under sub-section (5) of section 6 should deal with all matters and complaints arising out of the working of this part.

PART VI. CUSTOMS, EXPORT AND IMPORT CONTROLS

(12) The proposals as contained in Pakistan's redraft of this part dated 21st July, 1948, were accepted by both Dominions.

PART VII. INTER-DOMINION COMMISSION

(13) The proposals as contained in the draft agreement were accepted.

ITEM 2 OF THE AGENDA.—TRUST PROPERTY.

(14) It was decided to postpone consideration of this item.

ITEM 3 OF THE AGENDA.—DAMAGED URBAN IMMOVABLE PROPERTY.

(15) India was unable to accept Pakistan's proposals as they stood. They had no objection to demolitions or repairs necessary for ensuring safety, protecting health and the life but they could not agree to sales by the Custodians of Evacuee Property. Pakistan undertook to consider India's counter-proposals.

ADDITIONAL ITEM 8-A. NOT ON THE AGENDA. INCOME-TAX ASSESSMENT.

(16) There was at present an agreement between the two Dominions under which no *ex-parte* assessment of income-tax could take place in the West Punjab until 31st July, 1948.

(17) In view of the postponement of Evacuee Property settlement it was suggested by India that the agreement should be further extended up to 31st December, 1948, and should include the N.W.F.P. and Sind.

(18) Pakistan agreed to extend the present date upto 31st August. 1948. and pointed out that its present scope already covered the N.W.F.P. Pakistan was not prepared to extend the agreement to Sind. They would, however, consider the definite proposals from India as contained in Appendix A.

(19) Pakistan stated that no sales against realization of income-tax had taken place either in the West Punjab or the N.W.F.P. so far and they undertook that no such sales would take place at least until 31st August 1948, in any part of West Pakistan.

ITEM 4 OF THE AGENDA EXCHANGE OF PRISONERS

(20) The question of resuming the exchange of prisoners between the two Dominions which has stood suspended from the 27th April, 1948 was discussed. Pakistan handed over the following draft of what they desired in this connection:

> "The exchange of Prisoners between the Dominion of Pakistan and the Dominion of India, which was suspended on the 27th April, will be resumed as soon as a satisfactory agreement has been arrived at with regard to Muslim prisoners of Delhi, whose families have migrated to Pakistan, on the same terms and under the same conditions as applied to the exchange of prisoners from East—and West Punjab."

India undertook to consider this and send a reply as early as possible.

ITEM 5 OF THE AGENDA. INDIA'S "PERMIT" SYSTEM.

(21) India explained their reasons for introducing a system of permits, but were prepared to consider its withdrawal if the two Dominions could evolve some system of regulating a two-way, as opposed to one-way, traffic. Pakistan was not satisfied that there was a case for introducing a permit system nor for any form of traffic regulation in either direction and stated that in difference to public opinion they would be obliged to introduce a similar permit system in West Pakistan, which would have to be extended to cover also, movement between East and West Bengal, if India could not see their way to withdrawing their "permit" system forthwith.

V. D. DANTYAGI,
Joint Secretary,
Ministry Without Portfolio,
Government of India.
28-7-48.

E. de. V. MOSS,
Secretary,
Ministry of Refugees,
Government of Pakistan.
28-7-48.

NOTE DATED 22-7-48 BY INDIA ON INCOME-TAX ASSESSMENT

APPENDIX A. REFERRED TO IN PARAGRAPH (18) OF THE MINUTES

There is at present an agreement between the two Dominion Governments governing the East and West Punjab under which no *ex-parte* assessment of Income-Tax can take place. This agreement which expired on the 30th June 1948, has been extended up to the 31st July, 1948.

We suggest that this agreement should be extended further up to 31st December, 1948, in regard to time and should be covered to include Sind and N.W.F.P. in addition to West Punjab.

Meanwhile the work of assessment can be done either by deputing Pakistan officials to the Indian Dominion and *vice versa* under the guard and protection of the Dominion concerned; or notice in regard to all evacuees should be served on the High Commissioner of the Dominion concerned who should arrange for the defence of the case in consultation with the evacuee.

Once the assessment is made the Dominion to which the evacuee has gone may collect the Income-Tax and remit it to the originating Dominion or intimate its inability to do so. In the latter event, or at the option of the assessee the origination Dominion will have the right to dispose of the evacuee's property in fulfilment of the Income-Tax demand.

Pending consideration of this proposal we suggest that no sale of evacuee property should take place in either Dominion in fulfilment of the Income-Tax demands.

AGREEMENT NO. XI—MEMORANDUM OF AGREEMENT BETWEEN THE GOVERNMENT OF PAKISTAN (MINISTRY OF FOOD, AGRICULTURE & HEALTH) AND THE GOVERNMENT OF INDIA (MINISTRY OF FOOD) MADE ON 28TH JULY 1948

I. 1. Pakistan will supply to India 11,000 tons of fair average quality wheat in new gunny bags, suitable for seed purposes. Pakistan will try to supply as much of this wheat as possible of C591 variety.

2. Nominees of India will have the right to inspect for weight and quality and reject this wheat before despatch at despatching points.

3. Delivery will be made f.o.r. station of despatch.

4. In exchange India will deliver 4,000 tons of fair average quality wheat bagged in new gunny bags C.I.F. Chittagong and 105,000 tons of fair average quality gram of the current crop in new gunny bags f.o.r. stations in East Punjab.

5. The wheat will be imported wheat supplied from Government of India's depots in Calcutta and the nominees of Pakistan will have the right to select the best available stocks and to inspect them for weight and quality and reject this wheat before despatch. This wheat will be shipped from Calcutta by India for Chittagong and freight and insurance will be payable by India. In case the consignment is lost, India will replace the consignment in kind on the same terms.

6. Nominees of Pakistan will have the right to inapect for weight and quality and reject the gram which will be supplied in East Punjab stations f.o.r.

7. In respect of the exchange of 4,000 tons of wheat India will pay to Pakistan three annas per maund on full 4,000 tons plus 8 annas per maund for wheat certified by the West Punjab Agriculture Department as seed wheat, and 12 annas per maund of seed wheat certified to be of C591 variety.

II. India will allow export of 2,000 tons of vanaspati to Pakistan on an *ad hoc* basis Pakistan may raise the question of supply of larger quantities at an Inter-Dominion meeting.

III. Unless Pakistan indicates to the contrary within a month from date, India will deliver to Pakistan 6,500 tons of Burma rice in bags f.o.b. the loading port in Burma. Shipping to Chittagong will be arranged by India. Freight from Burma to Chittagong and insurance will be payable by Pakistan. In exchange Pakistan will deliver to India the following quantities of rice in bags f.o.b. Karachi:

Sind Sugdasi (while) 4,000 tons

Baluchistan Kangni & Joshi 2,500 tons

The Bill of Lading weight and the certificate for quality issued by the Burma Authorities will be considered final in respect of weight and quality, but India will sponsor a visit of Pakistan representative to ensure quality and correct weight and to supervise the loading of rice from Burma if so desired. India will inspect Pakistan rice at Karachi and will have the right of rejection.

IV. Under the Inter-Dominion Agreement arrived at in Karachi, Pakistan has to deliver 175,000 tons of foodgrains to India up to August 1949. Out of

this quantity Pakistan will deliver the following quantities of rice f.o.b. Karachi at prices indicated below, which are the rates at which Pakistan supplies rice to its own units:—

Sind Sugdasi (whole), if offered 4,000 tons at Rs. 20/8/- per maund.

Sind Sugdasi brokens 7,000 to 8,000 tons at Rs. 17/5/- per maund Kangni brokens 10,000-11,000 tons at Rs. 12/8/- per maund. Baluchistan Sugdasi Joshi 1,500 tons at Rs. 27/15/- per maund Baluchistan, Kangni and Joshi 8,000-9,000 tons plus (2,500 tons if offered Kangni and Joshi) Rs. 21/8/- per maund.

Nominees of India will have the right to reject any of the above quantities after inspection at Karachi, provided that total quantity offered would be debitable to the quota of 175,000 tons referred to above irrespective of the quantity not accepted.

V. India will permit export of 2 lakhs maunds of onion to Pakistan for the winter season 1948-49. This includes the one lakh maunds for which permits were said to have been issued recently.

VI. Pakistan and India will be responsible for arranging movements of grains and their safe transit within their respective territories wherever rail movements of foodgrains are involved.

VII. A statement of amount claimed by India to be due to them from Pakistan is attached. Pakistan agrees to examine this statement at an early date and to expedite payment of any amount admitted to be due in respect of transactions arising out of the last two Food Agreements and the Cuban Sugar ex-Benjamin Bestow. In respect of the claim regarding supplies purporting to have been made to Pakistan Defence Forces, Pakistan will examine the claim with a view to very early settlement.

VISHNU SAHAY,
Secretary,
Ministry of Food, Government of India.

H. S. M. ISHAQUE,
Joint Secretary,
Ministry of Food,
Agriculture & Health,
Government of Pakistan

New Delhi, the 28th of July 1948.

ANNEXURE

INDO-PAKISTAN FOOD AGREEMENT

First Agreement—

Following quantities of foodgrains were delivered to Pakistan :—

Wheat—

Ex. s. s. INDIAN TRADER.	. .	Tons 8,280.8-1.3 (bagged) at Rs. 10/4/- per md.
Ex. s. s. BERT WILLIAM.	. .	Tons 9,500-0-0.0- (bulk) at Rs. 10/3/- per md.
Ex. s. s. DERRY CUNNY	. . .	Tons 4,272-11-2-25 (bulk) at Rs. 10/3/- per md
Do.	do.	Tons 1,500.0-0.0 (bulk) at Rs. 9/9/- per md.
Do.	do.	Tons 2,991-11-0-19 (bulk) at Rs. 15/13/- per md.
Do.	do. . . .	Tons 1,297-4-1-16 (bagged) at Rs. 16/11/8 per md.

Barley—

Ex. s. s. VASSILIDES . . . Tons 9,700.0.0.0 at Rs. 15-10-6 per md.

The value of the above is as follows :—	Rs.	a.	p.
INDIAN TRADER .	23,10,465	8	0
BERT WILLIAM . .	26,34,800	11	0
Less (for damaged) . .	6,449	5	0
	26,28,151	6	0

	Rs.	a.	p.
DERRYCUNNY . . .	11,84,900	14	0
" . .	3,90,468	12	0
" . . .	9,02,686	10	0
"	5,90,392	9	0
VASSILIDES .	41,34,119	13	0
	1,21,40,185	8	0
Less credited by Pakistan to the account of Govt. of India.	1,21,23,235	0	0
	16,950	8	0

Barley from U.P. . Tons 3,000 at Rs. 14 per md.
Rs. 11,44,333.5.0.

This figures will be increased by Rs. 30,625 in case U.P. has not been paid for bags and bagging separately.

The quantity of gunnies delivered under this agreement was 8,11,466 new and 28,007 second hand. The gunnies to be provided free of cost under the agreement were 1,67,679 new only. Pakistan has, therefore, to pay for 1,43,787 new bags and 28,007 minus 18,543 second hand bags the latter having been received back from the supply made from s.s. Vassilides, *i.e.* net quantity of 9,464 second hand bags. Under the agreement we are to give 1,29,707 new gunnies at Rs. 105/- per 100 bags, the remaining bags had to be locally purchased in Karachi and are, therefore, being billed for at the rates actually paid. The following amount is, therefore, payable for gunnies:

			Rs.	a.	p.
1,29,707 Bags	@ Rs. 105	0 0	1,36,192	6	0
14,080 ,,	@ Rs. 149	2 0	20,996	13	0
9,646 S. H. Bags	@ Rs. 80	0 0	7,571	3	0
			1,64,760	6	0

Second Agreement.—The total number of bags supplied was 1,87,460 out of which 99,880 were to be supplied free in respect of the consignment of wheat sent per s.s. Hoperidge. The balance of 88,180 bas to be paid for at Rs. 115/- per 100 and the amount due on this account works up to Rs. 1,01,849/8/-.

Cuban sugar supplied before the first agreement.—The total quantity of Cuban sugar supplied to Pakistan was Tons 9,771,82 the cost of which as intimated by the India Supply Mission is Rs. 58,97,188/8/-. The amount paid by Pakistan is Rs. 52,60,157/11/- leaving a balance of Rs. 1,87,030/13/-.

The total amount due from Pakistan is therefore as under:—

First Agreement: —

		Rs,	a.	p.
1.	Imported Foodgrains.	16,950	8	0
2.	U. P. Barley :	11,44,333	5	0
3.	Gunnies : . . .	1,64,760	6	0
	Agreements : (Gunnies)	1,01,349	8	0
5.	Cuban Sugar : (before agreement)	1,37,030	13	0
	Total	15,64,424	8	0

AGREEMENT NO. XII—AGREEMENT FOR RECOVERIES, DATED 23RD SEPTEMBER 1948 AS MODIFIED AT THE MEETING ON 11TH NOVEMBER 1948.

The new proposals will result in the following procedure being adopted in the matter of Recovery of Abducted women and childreu.

1. The responsibility for the recovery of abducted women will hereafter be that of the police and civil authorities of the Dominion in which the abducted women are known to be residing.

2. The recovered non-Muslim women from Pakistan will be handed over to the Provincial Transit Camp maintained for the purpose at Lahore, which will be under the control of two Indian women social workers; and recovered Muslim women from India will be handed over to the Provincial Transit Camp maintained at Jullunder, under the control of two Pakistan women social workers. Women recovered in Sind shall be handed over to the High Commissioner for India in Karachi. Receipts in a prescribed form will be given for all women handed over to these camps or to the High Commissioner.

3. The only police personnel to be maintained by one Dominion in the territory of the other Dominion for the purposes of this work, shall consist of two platoons. with officers, who shall form a static guard at the recovered women's camp mentioned in para. 2 above, and also provide escorts from the Camp to the other Dominion.

4. The responsibility for obtaining information in respect of abducted persons will be that of the recovery squad of the Dominion in which the abducted persons are known to be residing. Each Dominion, however, may furnish such information as may be available to the other, in respect of abducted cases known to be in the other Dominion.

5. In the case of women recovered in one Dominion unwilling to proceed to the other Dominion, the S.P. of the recovery squad of the Dominion in which the woman was recovered may permit the relatives of the recovered woman to visit her in the camp located in Lahore or Jullunder, as the case may be.

6. The propaganda to be conducted in favour of recoveries will hereafter be the responsibility of each Dominion in its own territory.

7. Transport required for affecting recoveries in each Dominion will be the responsibility of the Dominion from which the recovery is to be made except that transport for sending recovered women from the Jullundur Camp to Lahore will be that of Pakistan and that for sending them from Lahore to Jullundur will be that of India. Transport for women social workers will be provided by the Dominion to which they belong.

8. Any difficulties or legal complications arising in the process of recovery will be resolved by the Dominion making the recovery. Even in doubtful or resisting cases no recovered woman will be given up or released without being brought to the Provincial Transit Camp at Lahore or Jullundur, except where the Provincial Organiser of the other Dominion agrees to such a course, in any

special case. After the recovered women is brought to the Provincial Transit Camp at Lahore or Jullundur each doubtful or resisting case will be enquired into and resolved by the S.Ps. of the two Dominions jointly. In the event of disagreement between the two S.Ps. the case will be referred to High Powered Officers of the two Dominions for resolution.

9 The two High Powered Officers nominated by the two Dominions shall continue to rectify the breaches, if any, of Inter Dominion agreements on recovery work.

10. Shrimati Bhag Mehta, as India's Provincial Organiser in West Punjab, will be allowed to tour West Punjab and West Punjab, States in company with Muslim women social workers, and Miss Qari, as Pakistan's Provincial Organiser in India, will be allowed to tour East Punjab and East Punjab States in company with Indian women social workers.

11. There will be no neutral camps in either Dominion in future. Cases of girls who were in the neutral camp at Jullunder, till recently, have been disposed of. Cases of those who remain in any similar camp in Lahore should be disposed of in the next few days.

12. Women bailed out or released on bonds, when recovered, will be brought to the Provincial Transit Camp in Lahore or Jullundur as the case may be and their cases re-examined by the two S.Ps.

13. In order to avoid unnecessary obstructions in the movements of women social workers, in transit from one Dominion to the other or otherwise each Dominion should arrange to issue special permits, and facilitate the movements of women social workers in the other Dominion.

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REFERENCE ITEM (5) OF THE AGENDA

I. *Statement showing Amounts due from Pakistan in Regard to Military Stores.*

(In crores of Rs.)

A. *Amounts from Pakistan on account of—*	
(i) Stores (including unit equipment) taken over from UK and located in Pakistan on 15-8-47	11·38
(ii) Fixed assets taken over from UK and located in Pakistan as on 15.8.47	2·35
(iii) Stores despatched from India to Pakistan between 15-8-47 to 31-7-48	4·21
(iv) Transportation charges on stores sent to Pakistan	0·18
(v) Estimated amount to be paid by Pakistan on account of net sale proceeds of UK owned surpluses located in Pakistan	2·21
(vi) Pakistan's share of joint expenditure booked in the Indian Accounts—	
(a) Compiled during 15-8-47 to 30-11-47 on account of debit already intimated to Pakistan	4·20
(b) Further debit on account of joint expenditure (mostly arrear charges pertaining to the period 15-8-47 to 30-11-47)—rough estimate	2·00
(vii) Payments due to Indian High Commissioner in UK for stores supplied by DG,ISD, to Pakistan (Centre and Provinces)	1·43
TOTAL	27·96

II. *Statement showing Amounts due from Pakistan in regard to other Items.*

	Rs. A. P.	Rs. A. P.
B. *Railway Board.*—		
(i) Up to end of July, 1948	80,00,000-0-0	
(ii) Up to end of August, 1948	18,00,000-0-0	98,00,000-0-0
C. *Food Ministry:*—		
I. *Sums owed by the Pakistan Government.*		
(i) Cost of imported wheat and barley supplied to Pakistan	17,949-0-0	
(ii) Cost of 3,000 tons of barley lying in West Punjab which are property of U.P. Government	11,43,333-5-0	
(iii) Cost of gunnies supplied to Pakistan	1,64,760-6-0	
(iv) Cost of Twill bags supplied to Pakistan	1,01,349-8-0	
(v) Balance due on account of price of cuban sugar supplied to Pakistan	1,37,030-13-0	
(vi) Cost of supplies to Pakistan Defence Services under the joint procurement of foodstuffs for the Armed Forces during the period 15th August to 30th November 1947	54,00,000-0-0	
II. *Sums owed by Pakistan Provinces and States.*		
(i) Amounts due to Central Government from Kalat, Las Bella and Bahawalpur States on account of cost of imported foodgrains supplied to them	1,00,000-0-0	
(ii) Advances by various Indian Provinces and States before partition to different Units of Pakistan for supply of foodgrains under the Basic Plan	2,23,00,000-0-0	2,93,64,423-0-0
D. *P. & T. Adjustments*—		
Savings Bank, etc.	12,00,00,000-0-0	12,00,00,000-0-0
TOTAL		15,91,64,423-0-0
TOTAL OF STATEMENT I		27,96,00,000-0-0
GRAND TOTAL		43,37,64,000-0-0

RECORD OF DISCUSSIONS

Item (1)—It was agreed that in dealing with pre-partition claims arising in East Bengal the Government of India will commence work with the claims relating to properties which have been collected and scrutinised by the Government of East Bengal and amount to a little over Rs. 5 crores. This atter Government would arrange to furnish to the Financial Adviser, Military Finance of the Government of India the information mentioned below separately by each of the following three categories:

(a) Housing property;

(b) Factories;

(c) Agricultural land (including huts farms etc.)

The particulars which will be furnished project by project are name and description of project, location, particulars of property, the name of claimant, summary of the claim and amount of claim. Further information regarding the date on which the property was requisitioned and the date on which it was derequisitioned and reference to official letters on the authority of which action was taken would also be given to the extent that this is available at provincial headquarters. In the case of agricultural land it was agreed that names of claimants need not be given provided the description of the property is such that the property is clearly indentifiable and the total number of claims is given.

The East Bengal Government will send this information project by project and the Government of India will begin their preliminary work of examination as soon as the first instalment of this information is received. After this preliminary check the Government of India will arrange to make a detailed check of the claim with a view to payment. This detailed check will commence, if possible, within two months after the receipt of the first instalment of information and in any case within two months of the receipt of the last instalment of information from the East Bengal Government.

It was also agreed that an officer would be deputed by the Government of India to whom suitable powers will be delegated to make detailed and final scrutiny of these claims at the Provincial Headquarters of East Bengal and that this officer would receive the assistance of an officer of the Provincial Government. Where any estimates made by the Provincial Government are rejected or modified by the officer deputed by the Government of India, the Provincial Government will naturally be free to refer the cases for review to the Government of India who will also receive a report on the matter from their own officer. The estimates finally passed will be accepted by the Government of India for authorising payments.

In the case of all properties, claims in respect of which have been scrutinised by East Bengal and which are eventually accepted by the Government of India, it was understood that no further claims of any kind whatsoever relating to those items of property will be entertained. The procedure for the entertainment and payment of claims already received which arise in other Pakistan provinces will approximate as far as possible to that in East Bengal.

Reference was made by India's representatives to the virtual lack of progress in Punjab, and to a lesser extent in Bengal, in recent months in the matter of scrutinising and accepting claims against undivided Punjab and Bengal. Pakistan representatives stated that they did not approve of any attitude by a Provincial Government of indifference in the matter of settling pre-partition claims. They were as anxious as India was that claims against undivided Punjab and Bengal should be settled expeditiously just as they were anxious regarding the claims against the Central Government arising in East Bengal.

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In the course of the discussions on the Savings Bank accounts it appeared that Pakistan was of the view that the transfers of Cash Certificates between the 31st of March 1948 and 30th of September 1948 were covered by the agreement said to have been reached between the Directors General, Posts and Telegraphs, of the two Dominions some time in March 1948. This agreement is supposed by them to cover the transfer of Cash Certificates on the same terms and conditions and affecting financial adjustments in the same way as transfers prior to that date. The India representatives considered this view to be incorrect and that so far as their D.G. was concerned he was not competent to negotiate an agreement in regard to financial aspects of the transfer and he was and could only be concerned with the mechanical aspects of the transfer of Cash Certificates from one Dominion to the other. The position, therefore, from India's point of view is that the necessary adjustments in regard to transfers of such certificates from one Dominion to the other up to 31st March 1948 will be made through debt settlement and transfers subsequent to that date on a cash basis. As a result of subsequent discussion the Pakistan representatives were prepared to accept the following alternative, namely, in respect of Postal Cash, Defence and National Savings Certificates registered in Post Offices in one Dominion before the 15th August 1947 and transferred to the other Dominion on or after the 1st July 1948 the liability will continue to be that of the Dominion in which the Certificate was registered and the Dominion Paying the Certificate on maturity or earlier will recover the payment currently from the other Dominion.

The India representatives considered that the adjustment through the debt settlement should be as agreed in the Partition Council in respect of Certificates transferred up to the 31st of March 1948 and a settlement made by cash payment in respect of certificates transferred between 31st March 1948 and 31st March, 1949. For the latter India was, however, prepared to accept the procedure suggested by Pakistan of current recoveries in cash as certificates were discharged.

The Pakistan representatives undertook to put this matter before their Government and to intimate their final views on this subject before the Inter-Dominion Conference at which it would be taken up if no agreement was reached in the meantime.

Items (8) *and* (5).—*Non-payment by Pakistan of dues to India so far as they relate to claim made by Indian railways against Pakistan railways on account of through traffic.*—The delay in settling through traffic accounts by Pakistan Railways was referred to. The procedure accepted by both parties was that either party should send a schedule to the other showing payments made and money realised on behalf of the other which should be accepted, if in order, within one month of its receipt; thereafter net payments due to either party should be made by means of a bank draft. If any items which cannot be checked within the above period of one month, they should be accepted provisionally subject to re-adjustment being made on their behalf subsequently within two months. Pakistan representatives stated that that procedure had been agreed upon between the two Auditors General and would be followed. They further stated that if there are any debits raised by Pakistan which have not yet been accepted by India Pakistan will furnish relevant particulars. India's representatives explained that the Railway Board attached even more importance to the fact that Pakistan railways were not accounting for Inter-Dominion traffic for which under the present rules responsibility for accounting rests on them. In particular the case of coal traffic was mentioned. India had to point out about 95 thousand items which Pakistan Railways had not

accounted for during the last year. There was the further difficulty that if any claim was not raised within six months, it would become time-barred. India did not consider the position satisfactory under which they have to point out such a large number of unaccounted for items. The Pakistan representatives said that owing to the disorganization following on the division of Railways there would be a number of unaccounted for items in the Division Sheet and that it would be reasonable in the present conditions that the time limit of six months should be relaxed.

India agreed that the two Railway Boards should examine this point expeditiously and reach a decision within a month.

Item 12.—India's representatives furnished to Pakistan representatives a statement showing the number of claims that have been referred to the Accountant General, Pakistan Revenues, for verification and the small number that have been received back with reports. It was agreed that Pakistan would examine claims referred to them as speedily as possible. India for her part would similarly examine claims received by them speedily.

Regarding the special case of claims of railway contractors, the Financial Commissioner read out a ruling stated to have been given by the Auditor General of Pakistan that the Pakistan Government would only make over to the officers deputed by India to Lahore and Chittagong, bills which were verified by Pakistan but not any records for checking these bills as certified. Pakistan representatives at the meeting pointed out that the Auditor General's objection was apparently to the transfer of records, but they agreed that such officers deputed by India to Pakistan offices will be shown the relevant record and given all facilities for checking. The necessity for creating a machinery to deal with these claims was stressed by the India representatives. India also raised the question whether Pakistan had sufficient staff in E.B.R. to check the claims in the first instance. Pakistan representatives said that they had adequate staff and that even if this was not the position, they would sanction more staff.

Item 13.—Further to what has been stated regarding payment of compensation claims under item 12 above, India's representatives stated that they had been advised that the legal position is that where the claim for compensation relates to a consignment which began and ended at stations both of which now lie in Pakistan, the initial liability rests on the Government of Pakistan. It is only when both the stations of origin and destination lie in India or one of these two lies in India that the Rights, Property and Liabilities Order places the initial liability on India. Pakistan representatives agreed to this. They also agreed to make available all files relating to such claims.

Item 16.—*Pre-partition claims against undivided Bengal.*—It was pointed out by East Bengal that there was delay in departments returning the passed bills which have been passed by the Application Committee to the Accountant General, East Bengal, for payment and that as far as the Accountant General, East Bengal, was concerned almost all claims received in his office had already been paid. The East Bengal representative explained that his Government had no objection to the prompt payment of such claims. The East and West Bengal representatives agreed to co-operate with each other on the Application Committee with a view to disposing of all the claims against undivided Bengal rapidly, and paying the claims thus passed within a period of three months from now, if possible, and in any case within 4 months.

The question was raised by the East Bengal representatives that any recoveries made by the West Bengal Government from contractors should be applied towards the payment of claims against undivided Bengal. After

discussion between the representatives of East and West Bengal Governments the following agreement was reached: —

"It was decided that amounts due from contractors (including dealers of cloth mills etc. relating to pre-partition period) who have bills pending before the Application Committee should be first adjusted against the claims and the net sum if any recoverable from the contractor according to the finding of the Application Committee should be realised by the Government of the Province in which they are located and should be available for payments of pre-partition contractual liabilities. The Application Committee shall determine the amounts already recovered or which may be recovered henceforth and to the extent to which such recoveries are made by West Bengal, the Accountant General East Bengal, may authorise payments on the Accountant General, West Bengal."

A further point was made by India that when Pakistan accepts and pays a claim to an individual who has now migrated to India, Pakistan should not require that this payment should be frozen with the Custodian of Evacuee Property. Pakistan representatives pointed out that India had issued some orders under which payments due to evacuees made in the East Punjab by the Central Government would vest in the Custodian. India's representatives agreed to examine whether such orders had been issued and suggested that, after such examination, India and Pakistan should come to some agreement which would govern such payments.

Item 17.—*Claims against undivided Punjab.*—The East Punjab representatives explained that representatives of the East Punjab Government, Food Department, had gone to Lahore to meet representatives of the West Punjab Food Department. They had however not been able to induce the latter to deal with all claims against undivided Punjab on items concerning food articles. As regards other claims also East Punjab had tried to get West Punjab to a joint examination on the basis that East and West Punjab would contribute in the proportion decided by the Arbitral Tribunal to pay all these claims. West Punjab however refused to discuss unless the East Punjab Government agreed to West Punjab's proposition that the joint account should be kept open for purposes of expenditure and not for purposes of receipts. India stated that neither the East Punjab nor the Government of India could follow this proposal about a joint account being kept open when there was no joint cash balance and the two Governments were now separate in all respects.

India's representatives requested and Mr. Qadir for the Pakistan Government agreed to obtain a report from the West Punjab relating to the hold-up in settling claims and use Pakistan Government's good offices in promoting a settlement of this matter.

Item No. 9.—Transfer of Provident Fund Accounts.—Pakistan referred to the agreements between the two Auditors General that even incomplete Provident Fund accounts might be transferred as they were and said that this had not been implemented. The F. C., Railways, pointed out that on the Pakistan Railways there had been practically no progress, especially as far as E. B. Railway was concerned. Over one lac of Provident Fund Accounts of Railway Servants were due from Pakistan to India but the progress so far was that 4,622 accounts had been transferred to Pakistan and only 1472 received from Pakistan of which only about 14 were received from E.B. Railway. Pakistan representatives pointed out that Pakistan Railways had more or less a similar complaint.

India representatives agreed that both sides should take steps to secure the implementation of the agreement. It was pointed out that it must be clearly

understood that if an incomplete account is transferred in respect of a Pakistan opted Government servant, Pakistan would have to accept not merely the amount so transferred as their liability but also any further credits relating to the pre-partition period that were later traced and ultimately adjusted in the Provident Fund account of that Government servant. It was agreed that what each side required at this stage was that a certified statement should be given to them showing the balance in each individual account, it being understood that statements would not in all cases be up to date.

It was also agreed that it was very important to have progress reports. India would obtain progress reports from the A.G.C.R. and the other Accounts Officers in India and Pakistan would do the same in respect of its Officers and the two Dominions would periodically exchange these reports. The aim would be to secure an even flow of transfers both ways. While our aim should be to ensure that maximum number of accounts are transferred each month on both sides, the achievement should not fall below the transfer of a thousand accounts each way each month. This work should in any case be completed by the 31st March, 1949.

Connected with this question is the transfer of policies financed from the Provident Funds which have been assigned to the Secretary of State or the Governor General. It was agreed that Accounts Officers should be instructed by both the Dominions to transfer them within a month.

Item 5.—Non-payment by Pakistan of other dues: Food items. Reference statement on the agenda.—On item (i) it was stated that Pakistan had certain comments on merits to offer. India's representatives pointed out that they had not received any reply at all to the claims made by them and this was the reason for putting such a relatively small item on the agenda for these talks.

On item (ii) Pakistan representatives said that from enquiries they understood that the West Punjab Government had not paid up since they had some claims against the U.P. Government. They undertook to persuade the Government of West Punjab to pay up the dues without delay. The general question of such claims by provinces in one Dominion against provinces in the other was discussed and Mr. Qadir for the Pakistan Government agreed with India that the Dominion concerned must take responsibility for the payment being made by the Province concerned once the Dominion agreed that the claims were reasonable.

On items (iii) and (iv) India's representatives pointed out that even if the position was that in Pakistan's view the amount due was slightly smaller, Pakistan should have replied accordingly. Further in India's view, in appropriate cases, part payments should be made by Pakistan. On these two items as well as on item (v) India had heard nothing in reply from Pakistan, whereas the position now appears to be that Pakistan wished to discuss them.

As regards item (vi) Pakistan's representatives (who were drawn from the Finance Ministry) said that they did not have any information regarding this item. India's representatives explained how the claim arose and desired that the Finance Ministry Pakistan should examine this matter with a view to an early settlement between the two Dominions. Other items on this statement were also discussed. It was also stated by India's representatives that as regards part II of the statement (sums owed by Pakistan Provinces and States) item (i) was in fact much larger than one lac and item (ii) was at present only about 1,70 lacs instead of 2,23.

The Pakistan representatives stated that the Provincial Governments in Pakistan had supplied foodgrains to the Indian Provinces payment for which was still outstanding.

In regard to all these items generally it was agreed that the Food Ministry, Pakistan, should first discuss these items speedily with the Food Ministry of India. A Special Officer of the Pakistan Government would shortly be coming to Delhi and he would take the opportunity to examine all these claims and take them back to Karachi for further examination, if necessary. An attempt should be made to reduce the field of difference to the maximum extent possible before the Inter-Dominion Conference to be held on the 6th December.

The question of payments due to the Indian High Commissioner in United Kingdom for stores purchased by him on behalf of the Pakistan Government was also discussed. The Indian representatives pointed out that the Pakistan Government had already been addressed suggesting that for payments due up to the 1st January, 1948, reimbursement may be made in rupees and for subsequent purchases reimbursement should be made in sterling or other foreign currency in which the expenditure had been incurred. India had also suggested that Pakistan should pay in advance for stores purchased in U.K. The Pakistan representatives pointed out that so far as payments in U.K. were concerned there was already a revolving credit of £1,00,000/- for financing these payments. They agreed that the necessary funds should be made available for keeping these credits moving so that the necessary funds could always be available at the disposal of the High Commissioner. In regard to the purchases in the United States they were prepared to make similar arrangements. It was agreed that the two Dominions should instruct their High Commissioners and Embassies in Washington to discuss the matter further and settle the procedure locally.

Pakistan representatives also suggested that the outstanding contracts which were wholly for purposes of the Pakistan Dominion or Provinces should, if possible, be transferred to Pakistan Government. Similarly, the possibility of splitting up contracts so as to isolate supplies relating to Pakistan should also be considered. The Indian representatives had no objection in principle to this, if suppliers had no objection and such transfer was legally possible. They would pursue this further with their High Commissioner in London.

Item 7.—India's representatives explained their point of view that expenditure incurred on behalf of Pakistan which had been debited to Pakistan suspense should be treated as an advance of cash balance made for purposes of the Pakistan Dominion and that these advances were therefore recoverable by India from Pakistan. Pakistan's representatives stated their view that as these advances were made before 15/8/47, the adjustment in respect of expenditure booked to Pakistan suspense should be through the debt settlement. No agreement could be reached on this point.

Item 8 and 11.—(a) *Pensions payable by Provinces, (other than partitioned Provinces) and States*

(i) *Sanctioned pensions*

Payment will be made in the first instance by the Province in which the pensioner is residing and the Accounts Officer of that Province will recover it currently from the Accounts Officer of the Province sanctioning the pension. Such payments will only be made on the authority of the Accounts Officer of the Province to which the pension is debitable.

In the case of pensioners of States which have acceded to either Dominion, the necessary authority will be issued by the A.G.P.R. or the A.G.C.R. as the case may be on the basis of a certificate of the acceding State concerned and the necessary recoveries will be effected by the paying Accounts Officers of the Dominion concerned from the other Dominion. It will be the responsibility

of the Dominion to which the State has acceded to make the necessary recovery from the State concerned.

(ii) *Pending applications for sanction of pensions*

The two Dominions will ask their Provinces and States to expedite the sanction of pensions for which applications are pending.

(b) *Provident Funds of those who retired and then migrated and of those who have migrated before the date of retirement*

Payments of Provident Funds whether of people who have retired from service and then migrated, or have migrated before earning their pension will be made on the authority of the Accounts Officer of the Province maintaining the Fund account. In the case of States, payment will be made on the authority of the A.G.P.R. or A.G.C.R. as the case may be who will get the necessary information for themselves from the State concerned.

It was agreed that the two Dominions should instruct the Provinces and States to authorise payment as quickly as possible to avoid hardship to refugees.

(c) *Arrears of pay and leave salary of Provincial Government servants who have migrated*

Each Dominion will help in the speedy settlement of such cases by issuing the necessary instructions.

(d) *Part pensions of Provincial Government servants of Provinces not partitioned, who migrated without completing service for pension*

India stated that her Ministry of Relief and Rehabilitation had addressed the corresponding Pakistan Ministry as long ago as February 1948 suggesting a basis for recognising the claims of these officers. Pakistan representatives undertook to examine this.

(e) (i) *Claims for Pensions and Provident Funds from servants of local bodies*

Regarding the claims for pensions and provident funds from servants of local bodies it was felt that the two Dominions could only use their good offices and it was agreed that machinery should be set up for this purpose which may be as follows:—

> All applications for these pensions or provident fund balances from servants of local bodies should be sent to the Chief Secretary of the Province in which they are residing. It would be the responsibility of the Chief Secretaries to see that these applications are complete in all material respects. They must then forward them to their Ministry of External Affairs who will in their turn transmit them to their High Commissioner in the other Dominion. The High Commissioner will then take up the matter with the other Dominion. Each Dominion will do its best to ensure speedy sanction and payment by the local bodies concerned.

(ii) *Arrears of Leave Salary and Pay*

The procedure for receiving and transmitting such claims will be the same as for pensions and provident funds of local bodies.

Item 18.—*Progress regarding provincial partition matters.*—Pakistan representatives agreed that this item ought to come on the agenda for the meeting on the 6th December as they had already suggested in their telegram. India's

representatives requested and Pakistan representatives agreed to send a telegram requesting the West Punjab to meet East Punjab in advance of the December Conference and to report the matters on which they could not come to an agreement.

Item 14.—Pakistan representatives stated that they had been informed that the carriers in question should be deemed to be the property of undivided India on 14th August, 1947, since the transfer of these stores to the P. and T. had virtually taken place before that date. India stated that these carriers system were on 14th July 1948 Defence stores for which payment had yet to be made to H.M.G. (There was the further fact that the P. and T. Sub-Committee had specially considered the question of Army Signal Stores and agreed that the Dominion taking them had to pay for them). Pakistan agreed with India that the question was one of fact. Subject to the verification of the statement that the stores had not been paid for by India on 14th August 1947, Pakistan agreed that their objection should be dropped.

Item 6.—Under the partition arrangements Central pensions in payment in either Dominion on the date of the partition became the final liability of that Dominion subject to the overall financial settlement in respect of all the pensionary liabilities on a capitalised basis. Transfer of these pensions had been allowed and following the movements of population both Dominions were paying the pensions on behalf of the other on a provisional basis. The question of financial adjustment was not decided. Pakistan representatives suggested that the appropriate course would be to decide upon a suitable date and say that all pensions in payment in either Dominion on that date should for the purpose of the financial settlement be treated as having been in payment in that Dominion on the 15th August 1947. They also mentioned that this would eliminate the accounting difficulties attaching to a system of current recoveries. India's representative pointed out that this problem cannot be decided on academic considerations but against the background of the various modifications made under the partition agreements which in his view had so far been in the direction adding to India's liability to the benefit of Pakistan. Pakistan's suggestion would add to India's current burden. The number of pensions involved in the transfer was bound to be much smaller than the total number of all pensions in the context of which at the time of partition it was emphasised that there would be difficulty in settling on a current basis.

In the case of Provincial pensions it has been agreed by the Pakistan representatives that the settlement would be on a current basis. The accounting complications involved in having similar arrangements in respect of transfers after 15th August would be no greater than in the case of Provincial pensions. India's representative therefore suggested that for the purposes of financial settlement all transfers between the two Dominions after the partition should be dealt with in the same way as Provincial pensions.

In spite of considerable further discussion no agreement could be reached. It was agreed, therefore, that this item should be placed on the agenda for consideration at the Inter-Dominion Ministers' Conference which is to begin on the 6th December.

Item 10.—*Payment of Pakistan Government's share of the surplus profits of the Reserve Bank.*—The representatives of India stated that the request amounted to an advance payment for which there was no provision in the Monetary Arrangements Order. The Pakistan representatives contended that there should be no objection to payment of the amount which could be definitely ascertained as Pakistan's share on the basis of India notes which had already come out of circulation from Pakistan up to date. According to them, the Monetary Arrangement Order did not prohibit such payment. India representatives pointed out that the Order provided for the payment of an amount in proportion to the *total* value of Pakistan and India notes in circulation in

Pakistan and did not stipulate for such payments being made by instalments. If the payment was to be made in this case, the principle of making advance payments in respect of other claims of each Dominion on the other would have to be conceded. The question of part payment had not even been raised during the discussions in the Expert Committee and any modification in the arrangement as incorporated in the Order could not now be accepted. The Pakistan representatives stated that it would help them in the budgetary position if they could get their share now. The India representatives pointed out that India had even greater budgetary difficulties. In the case of Burma, the practice adopted was to pay such profits in the next year and the proper course for Pakistan was to take credit for the amount in the next year's budget. The India representatives regretted their inability to accede to Pakistan's request.

Item 15.—*Transfer of Bank Accounts.*—The Pakistan representatives stated that there was a number of cases in which Muslim depositors were finding it difficult to get their accounts transferred to Pakistan. The India representatives stated that all individual complaints which had been forwarded to them by Pakistan Government were investigated and attended to. According to the information received by them from the Bankers, a major portion of the accounts had already been transferred. As regards the suggestion to transfer *en bloc* all Muslim depositors' accounts from East Punjab and East Punjab States, the banks had pointed out that they could not transfer an account without the authority of the depositor as they would be liable for damages in the case the depositor claimed this amount in India. According to them some of the Muslim depositors had gone to other places in India and not to West Punjab, and some of them wanted to continue to operate their accounts in India.

As regards the alleged transfer of all non-Muslim accounts from West Punjab, the actual position was that the banks had only brought copies of balances and were transferring accounts only on actual application. They had to do this because most of their branches in West Pakistan had been closed down and those working there had only a skeleton staff while their branches in India were functioning properly with the full complement of staff. The Pakistan representatives stated that in fact several banks had taken all their records to India so that it was not a case of mere copies of balances being maintained in India. It was agreed that the following suggestions made by the Pakistan representatives should be put to the bankers:

(i) The accounts which Muslim depositors had previously in branches of the banks in West Pakistan should be maintained in Pakistan at a branch of the bank or arrangements should be made to pay these accounts through a Bank in West Pakistan.

(ii) In regard to the Muslim depositors on the books of the banks in East Punjab and East Punjab States the same procedure should be adopted as was done by the banks in the case of non-Muslim depositors in West Punjab. That is to say a branch in West Pakistan or if there is no branch some other bank in Pakistan should have copies of balances of such depositors so that when a claim is made, it could be either settled by that branch or it could get it cleared by reference to the branch in India.

(iii) In regard to deposits of Muslims who had gone to West Pakistan from areas other than East Punjab, the record relating to the account should be transferred to a branch in Pakistan and it should be for that branch to settle the claim after compliance with the usual formalities.

When any bank enters into an arrangement with its creditors with the consent of the High Court in India, the Muslim creditors in Pakistan should not be put to a disadvantage. In this connection it was mentioned by Pakistan

representatives that the payment in shares of the bank would be a handicap to Pakistan depositors but India representatives pointed out that in the case of a bank which had come into difficulties it will not be practicable to make cash payments to Pakistan creditors only. It was agreed after discussion that it will be reasonable in the case of Muslim depositors in Pakistan that the entire payment should, if possible, be made in cash and not in the form of shares. It was suggested by Pakistan that in all cases where banks apply for liquidation there should be an arrangement for pooling the assets in both the Dominions and proportionate payments made to creditors on both sides and that application for arrangement with creditors should be made by the Bank to the High Courts in both the Dominions.

The following was also agreed:

(a) Complaints in regard to objections to transfer of accounts by bank on frivolous grounds should be referred to the Finance Ministry of the Government of India.

(b) In regard to the difficulties of heirs of deceased depositors in the matter of obtaining succession certificates, the India representatives pointed out that the Government of India had already addressed the Pakistan Government through the Indian High Commissioner at Karachi to agree to the amendment of Succession Acts on reciprocal basis. It was agreed that this matter should be expedited.

(c) In regard to the complaint of Pakistan representatives that the East Punjab States were not transferring bank accounts, Indian representatives explained that the States Ministry had already taken up this matter with the States concerned. It was agreed that both Governments should take steps to expedite settlement of these claims.

(d) In regard to deposits of Muslims in Co-operative banks in the East Punjab States, it was decided that the matter should be taken up separately along with the general question of the claims of the co-operative institutions in East Punjab on West Punjab.

India's representatives mentioned the following matters in which Banks had complained of difficulties in their business in Pakistan:

(i) Neither the West Punjab nor the East Punjab Government are meeting the claims of Banks on account of the guarantee given by the undivided Punjab Government in respect of advances against wheat made to Traders and Syndicates acting on behalf of the Provincial Government.

(ii) Banks are not getting payment for sugar stocks in their possession against which they had made advances which were taken over by local authorities.

(iii) The Custodian, West Punjab, requires Banks to obtain decrees in all cases where the banks have made advances against mortgages of property.

(iv) The Custodian requires the banks to intimate to him the daily cash position at the various branches in Pakistan.

(v) The Custodian has posted at each bank an officer to whom the Bank has to pay a salary of Rs. 500 p. m. with first class travelling allowances, for supervising sales of stocks in the possession of banks against their advances. The Banks are required to deposit the entire proceeds of such sales with the Custodian and then to put in claims for their dues.

(vi) The Banks are not allowed to reimburse themselves in respect of charges incurred for removal and disposal of stores.

(vii) The Punjab National Bank is not allowed to remove its surplus stationery bearing the name of the Bank.

(viii) No payment is made by Government in respect of stores of iron goods and machinery pledged to the Banks lying in the mills allotted to refugees.

(ix) Where stocks of food grains on the security of which banks have made advances are sold, the banks' claims are not met.

(x) Harrassment of non-Muslims staff.

(xi) Threat to requisition Punjab National Bank's premises in Karachi.

(xii) The prohibition imposed on Laxmi Commercial Bank to operate its current account with the Imperial Bank at Labore.

The Pakistan representatives mentioned a case where the Custodian at Simla had prohibited the removal of shares scrips, prize bonds etc. It was stated that there were some other complaints of a similar nature.

It was agreed that these points, including a review of the implementation of the present decisions, should be taken up for consideration at an Inter-Dominion Meeting to be held in Lahore about the 27th of December at which the representatives of the two Central Governments, the East and West Punjab Proviucial Governments, the Custodians in these two Provinces, the Reserve Bank of India, the State Bank of Pakistan and the representatives of the other banks should be invited to attend.

Item 19.—*Sums payable by undivided India to the then provinces for the period ending* 15*th August*, 1948.—Pakistan representatives raised the question of the sums payable by the undivided Government of India for the period ending 14th August, 1947 to the provinces now in Pakistan, on account of income-tax proceeds, development grants etc., as according to them these were the legal responsibility of the Dominion of India.

India's representatives said that their position had been made clear at the Inter-Dominion Conference in May, 1948. In their view India was not now liable for these payments.

AGREEMENT NO. XV.—MINUTES OF THE INTER-DOMINION CONFERENCE (KARACHI: 10-13 JANUARY 1949).

SECTION I.

1. *Items* (1), (2), (3), (4), (5) *and* (8).—The Conference examined the draft scheme for Inter-Dominion Evacuee Property Agreement prepared by the Joint Official Committee at Lahore (22-25 March, 1948), as well as the decisions reached at the Inter-Dominion Conferences held in Lahore on 22nd July 1948, and in Delhi in December 1948, and reached decisions which are set out in Appendix I.

2. *Item* (6) —*Consideration of the question of Trust Property.*—The Conference considered the question of Trust Property and, in view of the complexity of the problems involved, agreed that a committee consisting of three members from each Dominion should be appointed to consider:

(a) the report of the Inter-Dominion Committee on Trusts submitted on 6th April 1948, and

(b) any other suggestion that may be received in this connection and to make recommendations.

The Conference suggested that the committee should be constituted by the 31st January 1949 and should submit its report within three months thereafter.

3. *Item* (7).—*Consideration of the question of Jagirs and Maufis.*—This item did not come up for consideration.

4. It was also agreed that the following problem should be referred to the Inter-Dominion Commission for consideration: "The problem of the treatment to be accorded to sites and lands allotted on instalment basis in respect of which all the instalments were not paid by evacuee owners prior to the date of evacuation."

SECTION III.

1. Pakistan had suggested the discussion of the following items:—

Item 1.—*Violation of 'Most Favoured Nation' treatment clause by India affecting Pakistan.—(a) Refusal to grant to Pakistan rebates of excise duty connected with importation and exportation of goods.*—The Indian representatives stated that in their view the "Most Favoured Nation" clause of the General Agreement on Tariffs and Trade does not apply to rebates of excise duties and they could not agree to consider this question in isolation. They could consider it only as part of a comprehensive arrangement between the two Dominions. This proposal had been made by India to Pakistan at the Conference in Delhi in December last, and at the request of the Leader of the Pakistan Delegation a copy of the statement made by the Leader of Indian Delegation on the subject was furnished to him. The Pakistan representatives could not accept India's interpretation of the "Most Favoured Nation" clause and considered that since there is a dispute regarding the rights and obligations on each side the question should be settled independently, without reference to any comprehensive arrangement which might ultimately be reached. In view of this difference of opinion the question could not be further discussed.

(b) *Grant of better treatment than Most Favoured Nation treatment to a country which is not a contracting party.*—The Indian representatives explained that Pakistan's information, that while duty was levied on dried fruit imported from Pakistan into India, no duty was levied on such fruit imported from Afghanistan, is not correct. It was explained that duty is charged at the same rate in both cases.

Item 2.—Interim arrangements regarding duty on tobacco

and

Item 3.—India's export duty on mustard oil.—The Indian representatives stated that the view which they had expressed with regard to item 1(a) applied also to these items, and they were not prepared to consider them separately. In the circumstances these items also could not be discussed.

Item 4.—Violation of Baggage rules.—This item was referred to the Economic Committee whose report (which is at Appendix II) was accepted.

Item 5.—Condition of mosques, tombs and shrines.—This item could not be discussed in full for lack of time. Each side agreed to look into specific cases brought to its notice, of places of religious worship used for purposes not consistent with their use as places of worship.

Item 6.—Objectionable public utterances by leaders.—It was agreed that this item should be discussed informally between the leaders of the two delegations.

Item 7.—Division of Survey of India Assets.—This item was referred to a committee, whose report (which is at Appendix III) was accepted. It was agreed, however, that if, on the reconsideration referred to in para. 6 of the recommendations of the report, India desired to hold back any of the items, the matter would be placed again before the next Inter-Dominion Conference.

Item 8.—Return of exhibits belonging to Pakistan Museums.—The item was postponed for consideration at the next Conference.

2. The following items were suggested by India :—

Item 9.—Supply of raw cotton from Pakistan.—This item was referred to the Economic Committee, whose report, which is at Appendix II, was accepted.

Item 10.—The five outstanding financial issues between India and Pakistan.—This item was postponed.

Item 11.—Movement of petrol from Karachi to India.—The item was referred to a committee, whose report, which is at Appendix IV, was accepted.

Zafrulla Khan.
January 13, 1949.

N. Gopalaswami.
January 13, 1949.

APPENDIX I.—DECISIONS OF THE INTER-DOMINION CONFERENCE HELD AT KARACHI ON THE 10TH TO 13TH JANUARY 1949 ON THE DRAFT SCHEME FOR INTER-DOMINION EVACUEE PROPERTY AGREEMENT.

PART I—GENERAL

1. *Areas to which applicable.*—(a) In regard to agricultural property, the areas in Pakistan would be West Punjab, Sind, N. W. F. P. and Baluchistan, and the States of Bahawalpur and Khairpur (N. W. F. P. and Baluchistan should be taken to include States which have acceded to Pakistan and to exclude un-Administered Agency Areas). In India, the areas would be the Provinces of East Punjab and Delhi, Province of Himachal Pradesh, the Patiala and the East Punjab States Union, and the States of Bharatpur, Alwar and Bikaner.

(b) In regard to urban immovable property the areas in Pakistan would be the same as for agricultural property but in regard to India, the areas would be extended to include Ajmer Merwara, Dholpur and Karauli States (now included in the Matsya Union), the Rajasthan Union, Saurashtra (as both these Unions stood on 22nd July 1948) and the States of Jaipur and Jodhpur, and the districts of Saharanpur, Dehra Dun, Meerut and Muzaffarnagar in the United Provinces.

N.B.—Pakistan further suggested that while it was not agreeable to the area in India being extended to the whole of the country, it was prepared to agree to the area being so extended in regard to Government servants and persons holding office under the Crown in either Dominion. India thought it would not be justifiable to make this distinction and suggested that the areas might well be extended to cover the whole of the Dominion. India further suggested that in addition to the 4 districts of the U. P. mentioned above, namely Saharanpur, Dehra Dun, Meerut and Muzaffarnagar, 8 more districts should be added, namely, Aligarh, Mathura, Agra, Mainpuri, Etah, Bareilly, Moradabad and Budaun, all of which are ordinarily described as Western Districts of the U. P. Pakistan after consideration stated that it was not prepared to accept the extension to these 8 districts.

2. *General Principles.*—(1) Except in accordance with the terms of this agreement the evacuee's rights in his immovable property shall not be affected by reason of the vesting of his property in the Custodian.

(2) In the evacuee's absence, the duty of preserving his property and safeguarding his rights and interests therein shall devolve upon the Government concerned.

(3) "Evacuee Property" shall be so defined as to exclude from its operation property belonging to Joint Stock Companies with Head Offices in India, maintaining branches in Pakistan and *vice versa*:

Provided that where the Custodian or the Rehabilitation Authorities have already taken over the property, which owing to the disturbances was wholly or partially abandoned, such occupation shall continue, if so desired by the Government concerned for the following periods:—

(a) agricultural, commercial and residential property, 8 years and (b) industrial property, 5 years.

Note.—The position of Joint Stock Companies which claim to have transferred their head offices from one Dominion to the other after the 15th August 1947 may have to be examined separately.

(4) Throughout this agreement whatever has been laid down as applicable to a Dominion or to its Government shall be applicable to any States or to the Government of any such States as have acceded to the Dominion and are included in the area to which this agreement now becomes or hereafter becomes applicable.

8. *Administration of Evacuee Property.*—(1) There shall be appointed one or more Custodians of Evacuee Property in each Dominion.

(2) Evacuee property situated within the jurisdiction of a Custodian shall, for purposes of management, be vested in him.

(3) It shall be the duty of the Government concerned to take all necessary action for the preservation of evacuee property and for safeguarding all the evacuee's rights and interests therein. In particular the Government concerned shall require its Custodian or Custodians of Evacuee Property to:—

(a) compile and maintain full and complete record of all evacuee immovable property, separately for each town and village;

(b) make arrangements to be in a position as soon as possible to furnish to the evacuee (on demand by him) information in respect of administration of his property:

(c) take into consideration such information as the evacuee may give him regarding his property while dealing with matters connected with the admiuistration of the property concerned;

(d) keep the interests of the evacuees paramount save in accordance with the provision of any law for the time being in force;

(e) provide full facilities to the other Dominion or its representatives to represent to the Custodian the view-point and interests of any evacuee.

4.(a) A Liaison Officer of the one Dominion should be appointed to be in close touch with the Custodian of the Evacuee Property of the other Dominion for the purpose of—

(i) obtaining information on general principles being followed with regard to management of evacuee property;

(ii) making representations—general or in respect of cases of particular evacuees or properties—for the consideration of the Custodian;

(iii) obtaining information regarding demand statements and account statements regarding properties of evacuees, and generally to expedite by references to the Custodian the implementation of sections (8) and (9) of Part III.

(b) The Liaison Officer will be attached to the High or Deputy High Commissioner of the Dominion to which he belongs, but will have office accommodation in the office of the Custodian to which he is attached;

(c) Pakistan agreed to the above on the condition that the office of the Custodian of Evacuee Property, East Punjab, was and would remain at Jullundur.

PART II—AGRICULTURAL PROPERTY

1. *Definitions.*—(1) "Agricultural Property" means:—

(a) all land not included within the limits of a Corporation, Municipal Committee, Notified Area Committee, Town area, Small Town Committee and Cantonment as those limits stood on the 15th August 1947;

(b) buildings and other structures (including wells) erected on such land (excluding industrial and commercial buildings, such as factories, workshops and the sites thereof);

(c) other rights and interests in lands, buildings and structures referred to in (a) and (b) above, *e.g.* rights of a lessee, grantee, mortgagee etc., but not including assignments of land revenue.

Note.—The problem of substantial houses and shops in rural areas has been dealt with in Part IV.

(2) "Evacuee owner" in this Part means an owner of evacuee agricultural property or a holder of any rights or interests therein.

2. The consideration of sections 1(3), 2, 3, 4, 5, 6, 7 and 8 of the Draft Scheme was deferred. With a view, however, to collecting data which would enable an early decision to be reached regarding the disposal of agricultural property, it was agreed to exchange copies of revenue records and of existing records bearing on the question of land prices. It was also agreed that for expediting this work, three joint committees should be appointed. One of these three committees will be composed of the Deputy High Commissioner (Pakistan) at Jullundur, and the Deputy High Commissioner (India) at Lahore, who will be concerned with the agreed areas of Western Pakistan less Sind, Baluchistan and Khairpur and with the agreed areas in India less Delhi and the States of Bharatpur, Alwar and Bikaner. The second committee will be composed of the High Commissioner for Pakistan in Delhi or an officer nominated by him and an officer of the Ministry of Relief and Rehabilitation (India) for areas Delhi and the States of Bharatpur, Alwar and Bikaner; and the third committee will be composed of the High Commissioner for India in Pakistan at Karachi or an officer nominated by him and an officer of the Ministry of Refugees and Rehabilitation (Pakistan) for Sind and Baluchistan and the State of Khairpur.

3. *Section 9.—Applicability of certain provisions of Part III to this Part.*—Until a scheme is agreed to for the disposal of agricultural property, the following provisions shall apply to such property:—

(a) Section 2 of Part III (*mutatis mutandis*), provided that the maximum period for which agricultural property may be requisitioned shall be three years;

(b) Clause (a) of sub-section (1) of section 7 of Part III;

(c) Sections 8 and 9 of Part III (*mutatis mutandis*).

Part III—Urban Immovable Property

1. *Definitions.*—(1) "Urban Immovable Property" means—

(a) all immovable property situated within the limits of a Corporation, a Municipal Committee, a Notified Area Committee, a Town Area, a Small Town Committee and a Cantonment as those limits existed on the 15th August 1947;

(b) other rights or interests in such property, *e.g.*, rights of a lessee or a mortgagee;

(c) commercial and industrial structures, such as factories, workshops outside the limits referred to in (a) above and sites thereof;

(d) commercial and industrial undertakings including goodwill of such undertakings.

Note.—1. The township known as Model Town in the vicinity of Lahore is an urban area and shall be deemed to be included within the municipal limits of Lahore.

Note.—2. The question of including "substantial" houses and shops in rural areas as urban immovable property was deferred.

(2) "Evacuee Owner" means an owner of evacuee urban immovable property or a holder of any rights and interests therein.

(*N.B.*—Pakistan suggested that 'evacuee' should be defined as a person who has moved over from one Dominion to the other before 30th September 1948 and the property belonging to such a person should be defined as "evacuee property". India was of the view that the fixation of a date in this way, particularly one which would have to be given effect to retrospectively, would be unfair to persons who will have left one or the other Dominion after the fixed date; the position would be different if some suitable date in the future were to be fixed. Pakistan stated that they would consider this point further and see what action on their own side would be feasible).

2. *Rights of Provincial Government.*—(a) The Government of the Province in which evacuee urban immovable property is situated shall have the right to acquire such property as it may need for a public purpose, which may include the rehabilitation of refugees or the economic rehabilitation of the Province, on payment of fair compensation to be determined in accordance with the principles laid down in the Land Acquisition Act or any other law which is applicable as it stood on August 15, 1947. The amount of compensation would be determined in the following way:—

The administrative Officer who would ordinarily be charged with the duty of making an award for the acquired land would instead of making an award himself submit a report to the Court of the District Judge which for this purpose will consist of two members, one from each Dominion. If the two members are agreed they will make an award which will be final. If they disagree, a reference shall be made to the High Court of the Dominion in which the property in question is situated. The decision of the High Court shall be final.

(b) The Government of the Province in which evacuee urban immovable property is situated shall have the right to requisition such property as it may need for a public purpose which may include rehabilitation of refugees or the economic rehabilitation of the Province on payment of a fair compensation. The maximum period for which the Provincial Government is entitled to requisition shall be limited in the case of—

(i) residential property to 3 years;

(ii) commercial property to 3 years; and

(iii) industrial establishments to 5 years.

The fair compensation shall be assessed in accordance with the principles laid down in the law in force at the time of requisitioning, or in accordance with any modification or amendment of that law or any substitution of it, or promulgation of a new law. The draft of any law, or any new rule shall, however, be communicated to the Inter-Dominion Commission (Part VII) and any recommendation made by that Commission shall be taken into consideration.

Note 1.—The term "requisition" shall include taking over and assuming control of evacuee property for the purpose of rehabilitation under any law for the time being in force.

Note 2.—Property owned by institutions and trusts will also be governed by this paragraph unless and until a separate agreement is arrived at regarding such property.

Note 3.—Copies of all orders passed requisitioning any property and fixing compensation therefor shall be furnished by the officer requisitioning the property to the Liaison Officer attached to the Custodian.

3. *Conditions of Leases.*—(1) The conditions on which such requisitioned property is leased out shall be such as to cast upon the lessee an obligation to:—

(a) safeguard and preserve the leased property;

(b) give full facilities to the proprietor or his duly authorised agent to arrange for inspection and to take all such action as may be necessary for canvassing buyers and for effecting sales or exchanges.

(2) In the case of industrial and commercial undertakings the lease conditions may also provide for depositing security against loss or damage.

(3) The conditions shall provide for the imposition of a penalty for any breach thereof.

4. *Responsibility of Dominion Government.*—(1) The Government of the Dominion in which the evacuee immovable property is situated shall provide facilities (i) to evacuees (as also to private agencies working on their behalf) to enable transfers to be effected by sale, exchange, or otherwise, (ii) for the registration of the exchanges and sales of evacuee property, as well as for special concessions relating to registration fees and stamp duties. It was agreed that the details of these concessions and facilities should be worked out by the Inter Dominion Commission.

(2) It shall be the duty of the Custodian plus the Liaison Officer attached to him to give property owners such information as might assist them in the disposal of their property. Such staff as the Custodian and the Liaison Officer may require for this purpose shall be provided.

5. *Rights of Evacuees.*—(1) The evacuee owner shall have the right to transfer his property by sale, exchange or otherwise, subject to such right as may have been acquired by the Provincial or the Dominion Government as the case may be (or by other persons claiming through the Provincial or the Dominion Government as the case may be) as a result of the exercise of powers referred to in section (2) above.

(2) All such transfers shall be registered with the Custodian of the area concerned, who shall register the transfer unless:

(a) the transferer fails to produce a certificate signed by the prescribed income tax authority certifying that the transferer has paid all taxes due from him to the Income Tax Department in respect of his property, business or undertaking, or has made satisfactory arrangements for the payment thereof; or

(b) he has failed to pay any other dues outstanding against him in the Custodian's registers in respect of (i) his own property; (ii) third party claims recognised ex-parte by the Custodian:

Provided that provision is made for review by the Custodian of third party claims thus recognised.

Note.—Taxes due from him in (a) means 'taxes assessed but not paid' and also 'taxes not yet assessed' provided that in the latter case the transferer shall be permitted to obtain registration of his transfer if he deposits with the Custodian in respect of each year for which assessment is pending an amount equal to the average of the tax assessed for the last three years for which assessment has been made.

In considering the question of satisfactory arrangements for payment as in clause (a) the income-tax authorities shall consider the value of other immovable property owned by the transferer in that Dominion.

6. *Responsibility of Governments.*—(1) The Government shall manage, through the Custodian appointed by it for the purpose, such evacuee urban immovable property as has not been acquired or requisitioned by it.

(2) The Custodian shall be free to take such action as he may deem fit in the interest of efficient management of such property.

(3) The provisions of Section (2) and (3) of this Part shall apply *mutatis mutandis* to the leases given by the Custodian.

7. *Deductions from lease money.*—(1) From the lease money, assessed and realised in accordance with the provisions of this part, the Custodian will be entitled to make the following deductions:—

(a) 10 percent of the realised rents for management, and

(b) 10 percent of the assessed rents for normal repairs.

(2) In the case of special repairs, the Custodian will be entitled to incur expenditure against the capital value of the property.

8. *Returns of rental collection information.*—The Custodian shall prepare for the six monthly periods ending 30th June and 31st December each year, lists in duplicate for each locality, giving particulars of evacuee urban immovable property situated therein, the names of evacuee owners, and the lease money assessed, with additional columns showing the rents collected, deductions made therefrom and the balance payable to each evacuee owner.

9. *Inter-Dominion Adjustment.*—The Custodians in each Dominion will send the lists thus prepared in duplicate to the Auditor General of their Dominion Government. That officer will forthwith forward one copy of each list to the Auditor General of the other Dominion and proceed to consolidate the amounts in these lists. The two Auditors-General will adjust the net amount payable by one Dominion to the other through the Exchange Accounts of the two Dominions. If all the lists are not received within two months of the prescribed dates, namely, 30th June and 31 December, by the Auditor General of the other Dominion, adjustment shall be made to the extent of 50 percent of the total amounts in the lists received at the expiry of the said two months, the balance being credited to the account of the Dominion to which it is due as soon as the outstanding lists from that Dominion are received.

Note.—This procedure is provisional and will be reviewed as soon as after the 1st adjustment.

10. *Restoration.*—Where the owner of any evacuee urban immovable property produces a certificate from the Rehabilitation Commissioner or an authority empowered by the Rehabilitation Department in this behalf that the property is not required for the purpose of rehabilitation of refugees or the economic rehabilitation of the Province, restore the property to the owner or his agent for management or disposal. Where the management has not been taken over by the Custodian, and the owner produces the above certificate, the Custodian may, on the owner's request, allow him to retain or assume management of such property.

11. *Prevention of Attempts to prevent unfair fall of prices.*—The Dominion and the Provincial Governments in whose area the property is situated will do everything in their power to see that no organised attempts are made to keep the prices of evacuee property below the market level by forming rings, syndicates, boycotting or otherwise.

PART IV. HOUSES AND SUBSTANTIAL SHOPS IN RURAL AREAS

The question of whether Substantial Houses and Substantial shops in rural areas should be treated as urban immovable property or otherwise should be examined by the Inter-Dominion Commission.

PART V—MOVABLE PROPERTY

1. *General Provisions.*—(1) Except in accordance with the terms of this agreement, the evacuee's right in his movable property shall not be affected by reason of the vesting of his property in the Custodian.

(2) In the evacuee's absence, the duty of preserving his property and safeguarding his rights and interests therein shall be entrusted by the Government concerned to the Custodian of the Province in which the property is situated.

(3) It shall be the duty of the Custodian to:—

(a) take all possible precautions for the proper and safe keeping of evacuee movable property;

(b) ensure that full compensation is recovered for movable requisitioned by the Provincial Government or their officers for a public purpose, which may include the rehabilitation of refugees or of the economic life of the Province;

Explanation.—The term "requisitioning" includes taking over for purposes of the rehabilitation of refugees or the economic life of the Province.

(c) make arrangements for the disposal of such movables as cannot be preserved to the best advantage of the evacuee owner;

(d) restore on application to the evacuee owners their movables and to give facilities to them to dispose of or remove the movables so restored;

(e) on application by an evacuee owner, arrange for the disposal of his movable at the best possible price.

2. *Rights of Government.*—(1) *Provincial Government.*—The Government of the Province in which evacuee movable property is situated shall have the right to acquire or requisition such movable property as it may need for a public purpose, which may include rehabilitation of refugees or the economic life of the Province, on payment of a fair compensation to be determined in accordance with Sub-Section (6) of Section 4.

(2) *Dominion Government.*—The Government of one Dominion shall have the right to prohibit or restrict the export of items of evacuee movable property which may be essential for the life of the community after giving notice to the other Dominion of their intention to do so.

3. *Procedure for Acquisition or Requisition or sale.*—(1) A record will be kept of the goods acquired, requisitioned or sold by the Provincial Government or its officers, including the Custodian and officers subordinate to him. The record shall include separately for each evacuee owner an inventory of the items and quantities acquired, requisitioned or sold, the name and designation of the officers making the order and the price payable or paid.

(2) Reasonable facilities shall be given to evacuee owners and their representatives to inspect the entries concerning them in this record.

(3) The general procedure for preparation of inventories and fixation of prices shall be in accordance with the provisions of Section 4 of this Part.

(4) A nominal roll giving the name of the each evacuee owner and the total amount due to him on account of goods acquired, requisitioned or sold, shall be compiled and furnished every six months by the Custodian to the Auditor-General of his Dominion. The Inter Dominion settlement will be made in the manner prescribed in Section 10 of Part III.

(5) Opportunity shall be given to evacuee owners or their authorised agents to bring to the notice of the Provincial Government or the Custodian concerned instances of:

(i) deliberate misdescription of goods sold;

(ii) gross undervaluation.

(6) The Custodian may effect the sale of evacuee movable property:

(i) on application by the evacuee himself;

(ii) after adequate notice (not less than a month) to the evacuee owners individually or to a general class of evacuee owners.

N.B.—If in response to the notice the evacuee owner desires to make arrangements to dispose of his property himself or through his agent, the Custodian will normally accord permission to do so.

(iii) without notice, in cases in which, for reasons to be recorded in writing he holds:

(a) the interest of the evacuee owner is best served by the sale, or

(b) the sale is necessitated by requirements of rehabilitation.

N.B.—The sale of movable property shall, as far as possible, be by auction. The evacuee owner or the representative of the Dominion to which he has evacuated will be given an opportunity to be present at the sale.

(7) Abandoned movables which cannot be assigned to any particular evacuee shall be disposed of according to the law for the time being in force for the disposal of unclaimed property.

4. *Procedure for Preparation of Inventories and Valuation.*—Evacuee owners of movables, especially those forming assets of commercial or industrial undertakings, will be given the following facilities in respect of inventories and valuation:

(1) Each Government will have the right to appoint representatives acceptable to the other Dominion in such local areas of the other Dominion as they deem fit. The rehabilitation authorities will inform those representatives whenever possession of a commercial or industrial undertaking is to be taken over by them giving not less than a week's notice. The representatives will have the right to be present either personally or by an authorised agent at the time of the preparation of the inventory.

(2) If the owner wishes to be present either personally or by an authorised agent at the time of the preparation of the inventory, his presence will not be objected to, provided that the preparation of the inventory shall not be delayed merely to ensure his presence.

(3) After the preparation of the inventory a date shall be fixed for the valuation of the property and the representative or owner or agent who has been present at the preparation of the inventory shall be informed of that date by the officer preparing the inventory. On the date fixed, the representative of the Dominion, the owner or his agent shall have the right to be heard.

(4) Where an order of valuation has been passed by an authority subordinate to the Custodian and the order requires confirmation by the Custodian, the representative of the Dominion or the owner may signify his desire to be heard before the order is confirmed, and the Custodian will give him an opportunity to be so heard.

The Custodian shall not pass an order of confirmation until 10 days have elapsed from the decision of the subordinate officer.

(5) Where an order of valuation has been passed by an authority subordinate to the Custodian himself, and the order does not require confirmation by the Custodian, the owner shall have the right to appeal to the Custodian within 10 days of the passing of the order by the subordinate officer. It shall not be necessary to give any notice to the representatives of the Dominion or the owner regarding the fixation of value by the subordinate authority.

(6) The rate of compensation will be on the basis of fair value, that is, the price which the property would fetch in the open market under the present conditions provided that no organised attempt is made to keep it low by forming a ring or syndicate, or by boycott or otherwise.

5. *Rights of Evacuees.*—(1) The evacuee owner shall have the right to apply for restoration of his movable property. This application shall be normally granted except in cases in which the property in question has been acquired or requisitioned by the Provincial Government or taken over by the Rehabilitation authorities.

(2) The evacuee shall have the right to apply to the Custodian requesting him to sell or dispose of his movable property in accordance with the procedure outlined in sections 3 and 4.

(3) On restoration, the evacuee shall have the right to manage or dispose of his movable property by himself or through his agent, which term may include Liaison Officers appointed by the Dominion to which he has been compelled to migrate, in any manner he deems fit, including export to any destination in the other Dominion, subject to any export restrictions that may be imposed under sub-section (2) of section 2 of this Part.

(4) The evacuee shall on application be given permission and facilities to inspect his movables held in the charge of the Custodian or persons claiming through him or any other person.

(5) Evacuee owners who before the evacuation were engaged in organised trades, such as timber, grain, cotton, sugar, iron and steel non-ferrous metals, etc., shall have the right to form syndicates and to depute small representative committees, on behalf of the owners to various localities to arrange for the restoration and, subject to the permission of the Custodian, for the disposal or management of the stock in trade belonging to the members of such syndicates.

(6). *Responsibility of Governments.*—(1) The Government concerned shall be responsible for taking all steps necessary to ensure the safety of the evacuee owners and their agents engaged in managing, disposing of or removing their movables.

(2) The Government concerned shall also give to evacuee owners and their agents all possible assistance, including, wherever necessary, police protection, to dispose of their movables or to dispatch them by rail or road to any destination in the other Dominion.

(3) The Dominion Governments shall also give all possible transport facilities, including provision of petrol on payment, and grant, wherever necessary, a sufficiently high priority for transport by rail.

(4) There should be set up joint committees as for the exchange of revenue and other records in para. 8 of Part II, for the purpose of removal and disposal of evacuee property. It will be the function of these committees:—

(a) to supervise the working of the agreed arrangements in regard to evacuee movable property and in particular, to assist evacuee owners in the expeditious disposal of their requests for help for police protection or special transport facilities,

(b) to set up an organisation for facilitating movement by rail or road (This Committee will run its own trucks and secure special booking facilities and, whenever possible and necessary, run special goods-trains for the movement of evacuee movable property);

(c) to receive complaints and arrange for the redress of grievances of evacuees in the disposal or transport of their movables.

Note.—The two Dominion Governments shall make available all reasonable facilities to these joint committees to enable them to discharge their functions effectively.

(5) The Committees will pay particular attention to facilities being provided for the disposal, recovery, restoration and movement of: (a) goods lying pledged with banks; (b) goods lying at railway stations; (c) goods lying at docks; (d) parcels and money orders lying undelivered or unremitted at the post offices.

(6) The Committees will also pay special attention to assisting evacuee owners in the recovery and removal of movables and buried underground.

7. *Special Categories of Movable Property.*—(1) The previous sections of this Part will apply generally to all movable property.

(2) Without prejudice to this generality, both Dominions recognise that certain special categories or special articles may require special additional treatment and each Dominion will, if requested by the other Dominion, refer to the Inter-Dominion Secretariat Level Commission proposed in Section I of Part VII of this Scheme or, if necessary, to an *ad hoc* meeting, any case requiring such treatment.

(3) The following special additional treament is hereby agreed upon in respect of the special categories hereinunder specified:

(a). *House-hold goods.*—(i) The evacuee owner shall be given permission and facilities to remove all items of sentimental, literary and professional value and such personal effects as beddings, personal clothing, radio sets, gramophones, musical instruments, sewing machines, refrigerators, carpets and rugs etc.

(ii) Refugees at present residing in the houses vacated by evacuees will have the first claim for the purchase or hiring of all items which are not covered by (a) above, on payment of fair price.

(iii) A list of the items required by the refugees at present residing in the evacuee's house shall be prepared. This list shall so far as is possible be prepared in the presence of the evacuee or his authorised representative and as far as possible in the manner laid down in Section 4 of this part.

(iv) For the items required by him, the refugee shall pay to the evacuee fair compensation calculated in accordance with the provisions of sub-section (6) of Section 4 of this part.

(v) The evacuee shall be given permission and facilities to remove all items which are not required by the refugee or for which he is not prepared to pay or does not pay fair compensation.

(vi) Facilities will be made available to the evacuee or the representative of the Dominion to which he has evacuated, to represent to the Custodian cases of misappropriation of the evacuee's house-hold goods.

(b) *Goods buried underground.*—(i) The evacuee owner wishing to recover buried valuable shall apply for facilities to the Liaison Officer of the Dominion to which he has evacuated.

(ii) It will be the duty of Liaison Officer to arrange in consultation with the local Custodian and Police Officers for the search of buried valuables being conducted under conditions of secrecy and security.

(iii) Police protection will be provided by the local authorities.

(iv) Supervision of the arrangements in this connection will be a special responsibility of the Joint Committees set up under sub-section (4) of Section 6 of this Part.

(c) *Motor Vehicles.*—As soon as possible after this agreement is concluded, the Governments concerned on both sides must implement the provisions of Sections 2 and 3, sub-section (4), (5) and (6) of Section 4 and Section 6 of this Part in regard to acquisition, requisitioning, sale, valuation, payment of compensation and release of motor vehicles. If either Dominion considers any further special arrangements to be necessary, it shall without delay refer its proposals to the Inter-Dominion Secretariat Level Commission mentioned in Section I of Part VII.

PART VI.—REMITTANCE FACILITIES—CUSTOMS AND EXPORT AND IMPORT CONTROLS

Both Dominions will provide reasonable exchange facilities for remittances arising out of this agreement if and when foreign exchange control between India and Pakistan is instituted.

2. The Pakistan representatives expressed the view that such facilities would be governed by the separate agreement which is at present under negotiations between the two Dominions regarding the terminating of the Reserve Bank of India's functions as the exchange and currency authority in Pakistan.

3. The representatives of India, however, were of the view that some special provision would have to be made whether in the agreement referred to by the Pakistan representatives or in an agreement ancilliary thereto, in view of the special character and magnitude of remittances arising out of this agreement.

4. In regard to Customs and Export and Import Controls, arrangements should be made in accordance with the agreement set out in Annexure A.

ANNEXURE A.—AGREEMENT REGARDING CUSTOMS AND EXPORT AND IMPORT CONTROLS IN RESPECT OF EVACUEE PROPERTY AND GOVERNMENT STORES AND VEHICLES

1. It is agreed that goods which are allowed to be moved by evacuees from one Dominion to the other in pursuance of the arrangements arrived at between the two Dominions shall be exempt from export and import trade regulations as well as from export and import duties. Such goods will cover the following:—

(i) Goods carried in evacuee special trains;

(ii) persons and household effects intended for personal and household use, including articles like motor cars, cycles, gramophones, radios and radiograms, electrical goods, musical instruments, sewing machines, typewriters, private libraries, professional instruments, apparatus and equipment, cattle and other animals, jewellery, currency notes, shares, bond securities, and licensed arms and ammunition. This exemption will cover accompanied as well as unaccompanied goods, provided that such goods shall be covered by a permit granted by an authority to be designated in this behalf by each Dominion;

(iii) goods carried by evacuees proceeding by motor convoys straight from district camps in one Dominion to the other. This exemption will also cover vehicles forming such convoys; and

(iv) trade goods and merchandise including stock in trade belonging to an evacuee excluding gold and silver bullion provided that they are covered by a permit granted by an authority to be designed in this behalf by each Dominion.

2. Evacuees travelling by evacuee special trains or road convoys should be made to declare whether they have with them any bullion. Searches should be restricted to suspicious cases and should be conducted by Customs officials only in the presence of a responsible officer.

3. It is agreed that military stores consigned by one Dominion Government to the other, or carried by the M.P.O. or vehicles under the command of the M.P.O. whether carrying such stores or not, shall be exempt from export and import trade regulations as well as from export and import trade duties if any, on production of a certificate from the Ministry of Defence of the Dominion from which they are being exported, or from an officer authorised by such Ministry in this behalf that they are such stores or vehicles.

4. It is agreed that all Government stores other than those covered by paragraph 3 above, *e.g.*, Railway and P. and T. stores, allocated to each of the two Dominions as a result of partition shall be exempt from export and import trade regulations as well as from export and import duties, if any, on production of a certificate from the Ministry concerned of the Dominion from which they are being exported, or from an officer authorised by such Ministry in this behalf that they are such stores. This exemption will also cover vehicles carrying such stores.

5. It is agreed that all vehicles crossing the border if covered by Movement Orders issued by the Joint M.E.O. shall be exempt from export and import trade regulations as well as from export and import duties. This exemption does not apply to the goods carried in such vehicles.

6. It is agreed that all vehicles used by officers of either Dominion in the discharge of their duties and crossing the border shall be exempt from export and import trade regulations as well as from export and import duties on production of a cetificate from the High Commissioner or the Deputy High Commissioner of the Dominion to which the officer belongs, or from an officer authorised by them in this behalf that the vehicle is so employed.

7. Subject to the conditions specified in paragraph 2 above, it is agreed that the Customs authorities will conduct a search on the border only in cases where the import or export of goods is, under the aforesaid provisions, required to be covered by a certificate or permit from an appropriate authority. No searches will however be undertaken in cases covered by paragraphs 3 and 4 above.

8. It is agreed that if, for any reason, any articles are detained by the Customs authorities, a receipt giving details of the articles detained shall be furnished by these authorities to the owner of the articles.

9. It is agreed that adequate publicity should be given to the arrangements in both Dominions and machinery set up for receiving complaints of alleged violations and their investigation.

PART VII

1. *Inter-Dominion Commission.*—(1) A permanent inter-Dominion Commission shall be set up at Secretariat level, which will meet at regular intervals, or according to the urgency of the work before it, in each Dominion in turn.

(2) The functions of the Commission will, *inter alia*, include:—

(a) Review and supervision of the working of the agreed arrangements in regard to:—

(i) the administration, sale and transfer of evacuee property in both Dominions, and

(ii) the payment and remission of moneys etc., connected therewith.

(b) Consideration of matters other than important questions of policy that may arise in regard to refugees and evacuees between the two Dominions.

(c) Consideration of other matters referred to it by the Government of either Dominion.

(3) The Commission shall consist of the Secretary and one other officer of the two Dominion Ministries dealing with Refugees, with the addition of such officers as it may be necessary to include for the purpose of any meeting.

2. *Inter-Dominion Refugees and Evacuees Council.*—In addition an Inter-Dominion Refugees and Evacuees Council shall be set up, composed ordinarily of two Ministers each from India and Pakistan. This Council will meet, whenever necessary, to resolve matters on which the Inter-Dominion Commission is unable to agree or to consider questions of policy which require settlement at Ministerial level.

E. de. V. MOSS, 13-1-49.

H. M. PATEL. 13-1-49.

APPENDIX II.—REPORT OF THE COMMITTEE APPOINTED TO CONSIDER ITEMS 4 AND 9 IN SECTION II OF THE AGENDA FOR THE INTER-DOMINION CONFERENCE.

MEMBERS

Representatives of India

1. Mr. K. R. P. Aiyengar.
2. Mr. M. V. Rangachari.
3. Mr. B. N. Banerjee.
4. Mr. L. R. Singh

Representatives of Pakistan

1. Mr. J. B. Shearer.
2. Mr. S. A. Hasnie.
3. Mr. G. Faruque.
4. Dr. Nazir Ahmed.

The Committee met on the 10th, 11th and 12th of January, 1949. On the 11th and 12th Mr. MacFarquhar, Commerce Secretary, and Mr. Karamatullah, Chief Controller of Imports and Exports, Pakistan, also attended by invitation.

Item 4.—Violation of Baggage Rules.

The Pakistan representatives drew attention to a report that certain gold ornaments belonging to passengers returning to Pakistan had been detained by the Indian customs authorities. The Indian representatives said that enquiries had been made about this case and that the incident had in fact occurred before the revised baggage rules had been published and that the ornaments had since been returned to the owners.

The Pakistan representatives also stated that complaints were still being received regarding harassment of passengers entering Pakistan from Jodhpur State, and they considered it essential that, in accordance with the decision reached at the Delhi Conference, liaison officers should be appointed on that frontier without further delay. It had also been agreed at Delhi that the

Collectors of Customs should have regular meetings with their opposite numbers in the other Dominion, but the Karachi Collector had so far been unable to obtain any response to his proposals for a meeting with the Jodhpur Collector. The Indian representatives agreed to look into these points immediately on their return to Delhi and to take steps to secure expeditious action by the Jodhpur authorities.

Item 9.—Supply of raw cotton from Pakistan.

It was agreed that:—

(1) The validity for the first period of cotton licences to India is extended to 28th February, 1949.

(2) Pakistan will license an additional 74,467 bales already purchased by India (subject in the case of 4,650 bales to proof of exporter's qualifications).

(3) The maximum quantity that has to be purchased by India up to the end of February 1949 is 4,84,467 bales, and a minimum of 3,99,467 bales shall be purchased. Any quantity unbought below 3,99,467 bales will be liable to lapse.

(4) The Government of Pakistan will be free to issue additional licences in the period ending 28th February, 1949, to other countries for a number of bales equal to the additional quantity licensed for India, thereby raising the total for internal consumption and foreign export (other than to India) to 4,84,467 bales.

K. R. P. AIYANGAR, 12-1-49.

J. B. SHEARER, 12-1-49.

APPENDIX III.—INTER-DOMINION CONFERENCE HELD AT KARACHI ON 10TH TO 12TH JANUARY, 1949.

SUBJECT.—*Division of Survey of India assets between Pakistan and India.*

The Conference appointed a sub-committee consisting of the following to go into the question:

(1) Mr. K. L. Panjabi, Secretary, Ministry of Agriculture (India).

(2) Mr. H. S. M. Ishaque, Joint-Secretary, Ministry of Food, Agriculture and Health (Pakistan); and

(3) Major R. C. A. Edge, Director-General, Survey of Pakistan.

The sub-committee met on the 11th and 12th January, 1949. Mr. S. S. Haidar, Under Secretary, Ministry of Food, Agriculture and Health (Pakistan) was also present.

The facts of the case may briefly be stated as follows:

(1) The Departmental Partition Sub-Committee recommended that stores and equipment shall be divided in accordance with the following formula:

"Pakistan will be given the stores and equipment required by it provided—

(i) that the Indian Survey Department is not embarrassed in respect of any particular item; and

(ii) that the overall share of Pakistan does not exceed 4/15th of the total stores and equipment now owned by the Survey

of India; the area of British India to be surveyed in Pakistan being 4/15th of that in the rest of India.

Col. G. W. Gemmell will prepare a detailed list of all stores and equipment, in doing so, he will be assisted by one Hindu and one Muslim officer. When this list is ready, the Surveyors General of Pakistan and India will jointly frame proposals for the division of the stores and equipment as between India and Pakistan in accordance with the above formula. Actual division will take place as soon as these proposals are approved by the two Governments.

The preparation of the detailed list may take up to two or three months. Meantime should any stores and equipment now lying in India or Pakistan be urgently required by either Government for carrying on its survey work, the Surveyor General concerned will permit the transfer of such stores or equipment, but the stores and equipment so moved will be debited against the share of the Government receiving them, as determined by the above formula. It is also agreed that pending the removal to Pakistan of Pakistan's share of stores and equipment, such stores and equipment may be stored in Survey Department godowns in India, custody of which will remain with the Pakistan Government."

(2) Preparation of lists of assets by the representatives of the two Governments continued till October, 1947, whereafter the Muslim member (Pakistan's representative) due to communal disturbances had to be withdrawn from Debra Dun. About the same time, the neutral chairman, Col. G. W. Gemmell, also proceeded on leave preparatory to retirement. In consequence, lists and recommendations prepared fall under two categories, *viz.*:—

(a) lists of assets and recommendations prepared and agreed to jointly by the representatives of the two Governments and by Col. Gemmell; and

(b) lists and recommendations which were prepared by Survey of India officers but not finally scrutinised nor agreed to by a Pakistani representative.

(3) Pending the completion and examination of the lists of assets and in accordance with the provision in the Partition Sub-Committee's decision mentioned above, the Director-General, Survey of Pakistan sent a list of immediate requirements to the Surveyor General of India on the 21st of May, 1948, and Government of India agreed to the despatch of those with minor modifications. These were estimated to constitute about 26 wagon-loads, out of which only 4 wagons have so far been received. The movement of the balance is held up. The total number of wagon-loads due for transfer from India to Pakistan is estimated by both India and Pakistan to be 40. The total number of wagon-loads due for transfer from Pakistan to India is estimated by Pakistan as about 8 and by India as about 10. Out of this, Pakistan has already sent one wagon.

AGREEMENT

1. That the two Governments should take immediate steps to scrutinise and approve the lists of assets and recommendations contained in partition appendices with a view to their finalisation, acceptance and implementation by both sides.

2. That a fresh committee, consisting of representatives of the Survey Departments of India and Pakistan, be constituted for further consideration of partition appendices mentioned in para. (2) (b) above.

3. That points on which India and Pakistan representatives fail to agree, be referred to the Surveyor General of India and the Director General, Survey of Pakistan, to resolve by mutual consultation, and that if they also fail to

arrive at an agreed recommendation, the matter be referred to the two Governments for settlement provided that such differences shall not be allowed to hold up progress of scrutiny and of making of recommendations regarding other items not in dispute.

4. That India would forthwith send the appendices which have not so far been received by Pakistan.

5. That the Pakistani and Indian representatives in the proposed committee should be empowered to recommend suitable adjustments in physical transfers of expendable items and other items of which physical transfer for any reason is not in the best mutual interest of India and Pakistan, *e.g.* bulky items of furniture, and record the book values of the assets so adjusted.

6. That both sides will do their best to meet forthwith each other's immediate requirements, in the case of Pakistan, these requirements having been already stated and accepted by Indian with minor modifications on 21st May, 1948. According to representation of Pakistan the bulk of these assets have already been packed for transfer at the expense of the Government of Pakistan. However, in view of the lapse of time, India desired to re-examine the above list of requirements in the light of the recommendations of the Partition Sub-Committee mentioned in (i) above and agree to communicate their decision to Pakistan by the 31st January, 1949. In the meantime, four additional wagon-loads of stores have already been permitted to be moved from India to Pakistan.

7. That reciprocity, both in the qualitative and quantitative sense, in the movement of assets between the two Dominions shall be maintained as far as possible in proportion to the total assets due to be transferred by either side.

8. That in the event of any dispute arising out of this agreement regarding the application of any of its provisions or of the recommendations of the Departmental Partition Sub-Committee, the matter should be referred for decision to the next Inter-Dominion Conference.

APPENDIX IV.—A COMMITTEE COMPRISING OF MR. H. M. PATEL AND MR. NIZAMUD DIN ARRIVED AT THE FOLLOWING DECISION.

Item 11.—*Movement of petrol from Karachi to India.*

1. It is agreed that there should be an uninterrupted flow of petrol and other oil traffic from Karachi to stations on the East Punjab Railway, and to ensure this:—

(a) the East Punjab Railway should see that all N.W. Railway oil tank wagons are returned back to the N.W.R. immediately after being emptied and normal turn round is maintained.

(b) the N.W. Railway will continue to provide tank wagons for loading this traffic as hitherto;

(c) the N.W. Railway in consultation with the E.P. Railway should work out the total number of tank wagons required for this service on the basis of the normal turn round, and the number of tank wagons which would ordinarily remain in the E.P. area at any one time. This would facilitate a check at short notice as to where there is hold up, if such a hold up occurs.

H. M. PATEL,
11-1-49.

NIZAMUD DIN,
11-1-49.

GIPD—L—537LAD—27.4.49—909

Friday
11th February, 1949

THE CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II –PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Official Report

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Fourth Session
OF THE
CONSTITUENT ASSEMBLY OF INDIA
(LEGISLATIVE)
1949

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CONSTITUENT ASSEMBLY OF INDIA (LEGISLATIVE) DEBATES

(PART II—PROCEEDINGS OTHER THAN QUESTIONS AND ANSWERS)

Friday, 11th February, 1949

The Assembly met in the Assembly Chamber of the Council House at a Quarter to Eleven of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

QUESTIONS AND ANSWERS

(See Part I)

11.45 A.M.

...

INDIAN PENAL CODE AND THE CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I beg to move:

"That the Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898, be continued."

Mr. Speaker: The question is:

"That the Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898, be continued."

The motion was adopted.

Pandit Thakur Das Bhargava: Sir, I beg to move:

"That the Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898, be referred to a Select Committee consisting of the same personnel as that of the Committee to whom the three Bills in respect of the Child Marriage Restraint (Amendment) Act have been committed, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, with your permission I may add that the Committee should be asked to send their Report by March 21, 1949.

Sir, these three Bills relating to the Child Marriage Restraint (Amendment) Act have already been sent by this House to a Committee. As the subject matter of these three Bills and the subject matter of the present Bill is the same, I propose that the same Select Committee be authorised to deal with this Bill also.

As regards the question whether this Bill should be sent to a Select Committee or not, I may remind the House that this Bill was sent for eliciting public opinion on December 8, 1947, and on that date I submitted before the House my reasons *in extenso* why this Bill was necessary. I do not want to go into the same reasons again as on that occasion also the House was pleased to support this measure; the only question that troubled the minds of some of the gentlemen was whether public opinion was in favour of such a Bill or not. Now that public opinions have been received, I would content myself by only just giving the House a *resume* of the opinions received.

Papers have been circulated to us in regard to those opinions and about 188 people or associations have given their opinions, out of which 130 are in favour and three are against. I may just make one remark about those three whose opinions are against. They have not considered the merits of the Bill; they have refused to consider the merits of the Bill on the plea that a House like this is not competent to make any legislation about marital rights and that it is a religious matter and therefore there should be no legislation about it. Now, this piece of argument was demolished very long ago. In 1860, 1891 and 1928 these Bills relating to this religious affair were passed and the reason given by them, therefore, is not sound. Therefore, if we exclude these three,

[Pandit Thakur Das Bhargava]

I can claim that the entire country supports this measure as all the opinions that have been received support this measure.

It may be that the measure is not supported in its entirety. The two ages, that is, the age of 18 for extra-marital and 15 for intra-marital, have not been endorsed by all the people, but there is none among these opinions which does not say that an extra-marital increase should not be made or that an intra-marital age increase should not be made. Most of the opinions are about the fact that if you enact a law relating to age of consent, without having a proper marriage law for the same age, then in practice such a contingency might cause very great hardship. I fully agree with this proposition. My humble submission is that unless and until you raise the marriage age, the raising of the age of consent might inflict more hardship than is necessary. Since these three Bills and this Bill go to the Select Committee, I hope that the required change will be effected simultaneously and that there will be no such trouble.

I do not propose to go through all these opinions which have been received nor do I propose to read the opinions before the House as it will take a very long time. I have got a small *resumé* made but this *resumé* also covers eleven pages, so I do not want to read even that. I would only content myself with saying something about the opinions received from the major Provinces, and even a cursory glance at those opinions will be enough to satisfy everybody that the entire country is in favour of this Bill, and if the House is so pleased—I do not want to waste the time of the House, Members must have already read these opinions—I may not trouble them at all with these opinions because we have got other important business to do. It will, therefore, suffice to read from the opinions from Bombay, Madras, the United Provinces and East Punjab. In regard to them also, Sir, I do not propose to read all the opinions but only just to state how representative these individuals and associations are who have supported this measure.

In regard to the United Provinces, the Government of U. P. regard this measure favourably. Similarly, the High Court: Justice Raghubar Dayal; Justice Sapru; Justice Bindbasini Prasad; the District Judges of Agra, Allahabad, Aligarh, Azamgarh, Banaras, Bareilly, Naini Tal, Meerut, and Shahjahanpur; the Chief Court of Oudh: Justice Kidwai; Justice Chandramani; the District and Sessions Judge, Lucknow; the District and Sessions Judges, Sitapur, Hardoi and Faizabad; the Advocate-General, U. P.; Government Advocate, Allahabad; Government Advocate, Chief Court, Allahabad; and many others—I do not propose to read other names—have expressed opinions in favour of the principle of the Bill.

In Madras, the Government of Madras; the High Court; the Government Solicitor; Public Prosecutor; District Magistrate, Chingleput; District Magistrates, Salem, Arcot, Cuddalore; and many other people including Retired Judges of the High Court, Mr. Sundaram Chettiar, Mr. Venkatarama Shastri; Mr. Ratnaswami of the Annamalai University and Mr. Venkataraman have supported it. Sir Alladi Krishnaswami is not favourably disposed towards the Bill. This is a solitary exception. But what he says is this, that marriages below the age of 14 should be prevented. It means that there is qualified support given by him also. Similarly, in East Punjab the Punjab Government, Judges of the High Court, Bar Associations and very distinguished persons have supported it. Similarly in Bombay and West Bengal. So I would not like to read their opinions, but suffice it to say that the opinions are unanimously in favour of the Bill.

On the last occasion I spoke I took great pains to show to the House the evil effects of child marriage and I quoted authorities to show that speaking physically; psychologically and economically this institution of child marriage is very harmful for us, and the way in which we could cope with the situation

was to raise the marriageable age and to supplement this age by having recourse to the age of consent law which gives the age of consent in married life as 13 today, which I want to be changed to 15. As regards extra marital age, I want that it may be changed from 14 to 18. It is not necessary for me to go through all these reasons over again. Last time, when the Bill was before this House on the 3rd December, 1947, Dr. Pattabhi supported it, Mrs. Durgabai supported it, Mr. Karimuddin supported it. There was no voice in opposition, and last of all, our beloved Sardar supported it. He said that he was in full sympathy with the provisions of this Bill and this measure was overdue. He only wanted it to be referred to the public for ascertaining their opiuion. Now, Sir, I want to reiterate the words with which I closed my speech then. The last sentence was as follows: "I bow again to Sardar Patel though not without a gnawing of the heart which will cease not until the Bill is passed". That was on the 3rd December, 1947, and now it is the 11th February, 1949, and the Bill may take still more time. Meanwhile, the result is that lakhs of marriages may have been celebrated during this interval and pre-puberty consummation and early consummation may have inflicted such great suffering on the community that we cannot conceive of it. In fact, this is an invisible hardship. Physical hardship is also there. It can also be seen in some cases, but as a matter of fact, the hardship is more invisible than visible. Therefore it is not realised. But hardship is inflicted, and it has been inflicted on the country by waiting for two years. I humbly submit now for the consideration of the House that the House will be pleased to pass this measure as soon as possible in this session, because I regard that even a single case of early consummation or pre-puberty consummation is a sin and we are committing sins in fact we are committing suicide by withholding our sanction from this Bill and giving it full effect as soon as possible. The only way in which this Bill will fructify and be successful in its operation will be by raising the age of marriage; otherwise, it would not be successful. I know that. This is a measure which is directly connected with the then other measures. While moving another motion two days ago, I submitted to the House that the report should be called from that committee by 21st March. Early in April there will be another day for this business and I hope that these Bills will be passed on that day. I beseech the House to agree and to see that these Bills are passed in this session.

With these words, I beg to submit the motion for the consideration of the House.

Mr. Speaker: Before I put the motion to the House, I might just make a casual remark, that it will be more desirable if the names of members for the present Select Committee were to be included in the motion itself rather than have them put in, by reference to some other Select Committee and so on. Of course, I have got the names from the office.

Pandit Thakur Das Bhargava: With your permission, Sir, I will read the names

Mr. Speaker: I have got them, but I am making this remark, so that next time, members will put their motions in a proper form and completely instead of leaving it to the office or to myself to search them out.

The question is:

"That the Bill further to amend the Indian Penal Code and the Code of Criminal Procedure, 1898, be referred to a Select Committee consisting of Dr. Bakshi Tek Chand, Shri Prabhudayal Himatsingka, Shrimati G. Durgabai, Begum Aizaz Rasul, Shrimati Dakshyani Velayudhan, Shri M. Ananthasayanam Ayyangar, Pandit Krishna Chandra Sharma, Sardar Hukum Singh, Shri Ajit Prasad Jain, Shri P. Kunhiraman, Shri Deshbandhu Gupta, Shri Upendranath Barman, Dr. B. Pattabhi Sitaramayya, Shrimati Renuka Ray and the Mover, with instructions to report on or before the 21st of March, 1949, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

Shri R. K. Sidhva (C. P. and Berar: General): Sir, I beg to move:

"That the Bill to provide for the establishment and grant of Provident Fund to certain classes of workers by their employers be referred to a Select Committee consisting of the Honourable Shri Jagjivan Ram, Shri M. Ananthasayanam Ayyangar, Shri Khandubhai K. Desai, Shri Mohan Lal Gautam, Shrimati G. Durgabai, Shrimati Renuka Ray, Prof K. T. Shah, Prof. Shibban Lal Saksena, Prof. N. G. Ranga, Shri L. Krishnaswami Bharathi, Mr. K. A. Mohamed and the Mover, with instructions to report on or before the last day of first week of the next Session and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

This is a Bill of a very important character, and it should have been brought in this legislature long long years ago. The Bill envisages the grant of Provident Fund to a certain class of workers in this country. Provident Fund means that an employee during his hard service sets aside a certain portion of his hard-earned money to which a certain portion is added by the employer, so that after retirement the employee gets some relief, some morsel, some protection for himself, his wife and children. That has been an accepted policy all throughout the world, and it has been accepted in India and also by the Government of India. But in this country those who have been in power and those who could protect themselves and those who were already protected introduced the system of Provident Fund ever since they were employed in the service.

But that class of people for whom there was no person to protect their interests or who are the least protected or who go without any protection, they go without the benefit of this Provident Fund. It is for this class of workers for whom this Bill seeks to provide a Provident Fund. A distinction has been made, Sir, all along and on going through the proceedings of the Assembly of the previous twenty years, I find that this subject has been discussed from time to time, and particularly in every Budget session, that for the Provident Fund of the labourers, an Act should be made, but the then Government refused to come to the aid of the legislators of those days, until in 1925, when it was made too hot for the treasury benches, they enacted an Act, which is now in existence, which is known as the Provident Act of 1925. This Act is, however, greatly restricted in scope, in which this class of people, for whom this Bill envisages, do not come in.

Sir, as far back as 1921, when the Labour Commission came to India, as you are all aware, they recommended that the rules regarding the Provident Fund should be changed immediately and that those who get Rs. 20 and over and those who have put in one year's service should get Provident Fund compulsorily. Now Sir, as I said, a distinction has been made between a class of people who are already deriving the benefit of this Provident Fund and a class of people, a very large number of them, who do not get the benefit of the Provident Fund. Sir, this is a discrimination, and it is very unfair that between human beings there should be a distinction and a discrimination made by the previous Governments. After all, the persons who can protect themselves and who are benefited by the Provident Fund today, have to live after the retirement in the same way as these poor fellows have to remain. On the contrary, they have to remain under very extraordinary conditions. Those big people who are protected under the Provident Fund, may have built up some reserve for their period after retirement, whereas these poor fellows, who draw Rs. 20 and onwards, have no reserve and they have no protection from the State or from their employers. Of course, I must give credit to our Honourable Minister in charge of Labour, who is taking very keen interest for the welfare of labour. As I have stated before, in every session, there has been one Bill that he has presented in one form or the other, and today the Factory Act has been changed considerably in the last two sessions, so as to give some kind of benefit to the labourers.

This is the result of the changed conditions and our Government have been alive to that and I thought, Sir, to assist our Minister, I must also contribute and such a Bill should be enacted at a very early date. I submit this Bill with this object in view and although the Honourable Minister is not here, I am sure he would have welcomed it, knowing his views as I do about the welfare of the labourers.

It might be argued that in the present Income-tax Act of 1922, under section 58B, there is a provision that if an employer asks the Income-tax Officer to recognize any Provident Fund, that could be taken into consideration, but that clause in the Income-tax Act is not comprehensive; it says the employer can make an application. I have yet to see an employer voluntarily coming out for the Provident Fund and making an application to the Government stating: "Please see that these Provident Fund Rules are admitted and this relief should be given to the employees." There has been no such instance, Sir, despite this rule existing, no application has been made. Therefore, it may be argued by anybody that rules are there and anybody could have done it, but the very fact that this rule exists for the last 26 years and no advantage has been taken by the employers to voluntarily come forward and give this relief, goes to show that this kind of attitude on the part of the employers is very undesirable. I would have really welcomed that if the employers of their own choice make the Provident Funds for their employees: it would have pleased nobody more than myself or anybody who has the welfare of the workers at heart, but, Sir, that not being so, we have no other alternative but to enact law to say that there should be a compulsory Provident Fund, whereby the employee gives a share and the employer contributes towards it. It is regrettable that the employers themselves have not realized the workers' condition long, long ago, with whom I have been advocating wherever occasions had arisen. In the new set up they must change their outlook and provide two things, houses for the labourer and the Provident Fund. They have never risen to the occasion. Some employers to their credit, I might say, have built up some houses for their employees; some have introduced some beneficial measures, but that is very negligible. There are good employers who have taken this initiative of their own accord. I have seen that, Sir, wherever the houses are provided, the workers are happy and the strikes do not take place. These two things I have always felt as an essential factor in the life of a worker. If an employer when establishing his own industry sets aside from his initial capital amount simultaneously with the erection of a factory a provision for the houses of the workers, I am sure the present trouble of these workers and the strikes could have been considerably avoided. At the same time the workers would be really happy if they feel that something is reserved for them after their retirement from the service. I would certainly welcome that once an employee is confirmed in the Service, he should be entitled to the benefit of the Provident Fund Act; if he is dismissed or does not behave as he is required to behave, then he loses the share of the employer. So he will be always eager to see that he performs his duties loyally and faithfully to the State and to the employer, so that he may have the full benefit of the fund, that may have been kept aside for him. It is also very necessary to cement the good relations between the employer and the employed. It is highly essential that these things which are needed should be provided by the employers.

I have therefore a very simple Bill and the one object with which I have brought it, I have stated in this Bill, *i.e.*, that the subscription that has to be deducted from the employee's salary should be compulsory. You can imagine, Sir, a man drawing Rs. 30 or 40 a month has hardly sufficient for his maintenance yet he is prepared to spare a rupee from that every month, so that at the time of his retirement, he might get something with a consolation: "That this is my money and my master has also given some money." He

will bless that master who is cursed by him today. I want to avoid all that by this kind of enactment, which is overdue. I feel, Sir, in presenting this Bill I have absolutely no hesitation in stating that this Bill will find the fullest support at the hands of the Government.

[Shri R. K. Sidhva]

I have stated, Sir, that the provisions of this Bill should come into operation for employees who draw salaries of Rs. 20 and over. It may be argued: "Why not Rs. 20 and under?" I know there are employees who are getting less than Rs. 20; I know in some provinces there are yet persons who draw a salary of Rs. 15 and if I mistake it not, it is in the United Provinces.

An Honourable Member: They are mostly Government servants.

Shri R. K. Sidhva: I have, Sir, in this Bill defined the term 'employer'. "Employer" includes any body of persons whether incorporated or not and any managing agent of the employer and the legal representative of the deceased employer. As far as the Government is concerned, my friend has put the question; they are not included here. During recent years, the Government have provided by executive order for a provident fund system for these people and therefore, I have not included them. What I want is that though a certain class of labourers, a very negligible proportion, enjoy these benefits, there are large number of them, tramway workers, dock, wharf, jetty workers, all these people do not enjoy these benefits, and they should be given all these benefits.

In conclusion, Sir, I submit that my Bill seeks to promote a spirit of confidence and co-ordination among the employees and the employers, with the object of producing better results in the production of manufactured goods. Today, we know, that our country is suffering from less production; our Government has been advising the labourers and employers to step up production. I entirely share the view that production must be increased at any cost. At the present juncture, I oppose any kind of strike. At one time, during the previous Government, I had myself led many strikes. Under the existing conditions, I do not want, despite the difficulties that are created for the labourers, to initiate a strike. But, Sir, that does not mean that we should overlook the future betterment of the labourers, which is already overdue. If we compulsorily ask these employers to really change their outlook and create this fund, it will strengthen our hands and immediately, the country's wealth will be increased by increased production. Today, we are handicapped by the arguments advanced by some of the labour leaders—you ask us to step up production, but what have the employers done for us? Some of the arguments are right and some are wrong. Those arguments which are right should be borne in mind and this House must show to the workers, as we have always done, that we are in entire sympathy with them and that the employers will be made to give this benefit to the workers.

Sir, an amendment has been proposed by the honourable the Chief Whip that this Bill should be sent for circulation. I have no hesitation o have the Bill circulated. A measure of this kind is a very simple one and should have been sent to the Select Committee and passed in this session. However, if the honourable the Chief Whip feels that this Bill should be circulated for eliciting public opinion, I do not mind. I do not know what is the public opinion to be sought on a measure of this kind. The employers will all come with all sorts of stories and will present a memorandum. As the period mentioned by him is 30th June, I would be inclined to accept if the House so desires to accept the amendment. I however hope the object of the amendment is not to shelve the Bill. The intention of the Government has been sympathetic; I want them to be a little quicker so that we can repudiate the arguments advanced by the labour leaders and show that this House which has shown much sympathy all along towards the welfare of the labourers would

also see that this benefit is provided and in the next session whenever we meet, in July, August or September, this Bill is passed into law.

With these few words, Sir, I commend this motion for the acceptance of the House.

Mr. Speaker: Motion moved:

"That the Bill to provide for the establishment and grant of Provident Fund to certain classes of workers by their employers, be referred to a Select Committee consisting of the Honourable Shri Jagjivan Ram, Shri M. Ananthasayanam Ayyangar, Shri Khandubhai K. Desai, Shri Mohan Lal Gautam, Shrimati G. Durgabai, Shrimati Renuka Ray, Prof. K. T. Shah, Prof. Shibban Lal Saksena, Prof. N. G. Ranga, Shri L. Krishnaswami Bharathi, Mr. K. A. Mohamed and the Mover, with instructions to report on or before the last day of the first week of the next Session and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The Honourable Shri Satyanarayan Sinha (Minister of State): Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th June, 1949."

I am glad to inform the House that the Government has already, as an experimental measure, introduced the system in one of the very big labour areas and the Government is anxiously watching its result. It is quite likely that the Government itself may sponsor a Bill of this nature in the next session. In view of this, I would request my honourable friend Mr. Sidhva to agree to my amendment. (*An Honourable Member.* "He has already agreed.") He has to agree formally. On behalf of the Government, I can assure the House, that the Government has gone into this question and as I have said, it is quite likely that the Government itself will bring a Bill of this nature in the next session.

Shri R. K. Sidhva: In view of the assurance given, I agree to the amendment.

Mr. Speaker: I shall put the amendment to the House.

The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th June, 1949."

The motion was adopted.

PREVENTION OF FREE OR FORCED OR COMPULSORY LABOUR BILL

Shri R. K. Sidhva (C.P. and Berar: General): With your permission, Sir, I move:

"That the Bill to provide punishment for free or forced or compulsory labour, be referred to a Select Committee consisting of the Honourable Shri Jagjivan Ram, Shri A. V. Thakkar, Shri H. V. Kamath, Dr. V. Subramaniam, Begum Aizaz Rasul, Shrimati Annie Mascarene, Shri S. Sanker, Shri P. S. Nataraja Pillai, Shri K. Hanumanthaiya Srijut Rohini Kumar Chaudhuri, Shri Jaipal Singh, Shrimati Dakshayani Velayudhan, and the Mover, with instructions to report on or before the last day of the first week of the next Session and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, the ugly instances that are coming from time to time, of extracting forced labour from the poorer classes of people, are well known to everybody. This kind of forced labour was considered by the International Labour Conference in 1930 at great length and it was decided that this kind of forced labour is an evil and it must be eradicated from all the countries. Article I of that decision says:

"Each Member of the International Labour Organization which ratifies the present Convention undertakes to suppress the use of forced or compulsory labour in all its forms."

[Shri R. K. Sidhva]

This is the clause to which the Government of India is a party. It further goes on to say in Article 5 that—

"Where such forced or compulsory labour for the benefit of private individuals, companies, or other entities than the community exists at the date on which a Member's ratification of the present Convention is registered by the Secretary-General of the League of Nations, such forced or compulsory labour shall be completely suppressed within a period of three years from the said date of registration of ratification."

We were a party to this but the then Government which was a party to the article did nothing to eradicate this evil which is existent in this country for so many years. I might state that now with the vigilent civic conscience that has arisen even among that class of people from whom this forced labour is extracted, they have in some cases refused to render this kind of labour. But I know from personal knowledge that this kind of forced labour is extracted sometimes by Government servants also. They charge the Government for the false payments of having secured labour and misappropriate the wages to themselves and do not pay these people their wages. It is an established fact and some Provinces have appointed committees and it was admitted that this was so. Despite this, the previous Government did nothing. There are hill tribes in this country—of a population of 2-1/2 crores—and among this class of people this evil exists to a great extent. My friend Shri Amritlal Thakkar who is an expert in this has travelled extensively these areas and he has submitted a report to the Constituent Assembly for the Constitution making and he has given reasons as to what are the conditions of this class of people and the Constitution is going to provide some kind of relief to these people. That in itself would satisfy and prove as to what kind of conditions prevail today among these people. But that is not sufficient. The Constitution is going to provide general rules as far as their welfare is concerned but I want by this Bill to put a stop to this in those places particularly in Bihar, Orissa—it is in Madras also to a certain extent— where this exists to a very great extent.

Now, Sir, in my Bill I have excluded the services of persons who are required for public emergencies. Because when Government employ they do pay. Sometimes there are many irrigation works and the Zamindar wants his land to be cultivated and he calls some people round by and asks them to dig the canal, etc., and he gives them only a little morsel and no cash money. These are the class of people who suffer today immensely. I submit that under Section 374 of the I.P.C. any kind of labour is prohibited but nobody has taken cognizance of this section. This has remained a dead letter and, therefore, I feel that unless a separate Act is made for this purpose this kind of hardship could not be removed, leave aside, eliminated. I do not think anybody would like this to continue which is against the society and everybody would be too pleased to see that such evil which exists today is immediately stopped. Somehow in the past no efforts were made in this direction probably under the impression that it is not possible to remove it. If under those arguments and presumptions we work, we are not going to do any good to anybody at any time. It is our duty to see that such a thing which is a stigma on the society should be immediately removed and efforts should be made accordingly. If this Bill is passed into Act, then Government has to be alert and see that through various agencies the provisions of this Act are carried out and then I am confident that within a short period this kind of labour which is forcibly taken by the interested class of people will be removed.

[*At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar.)*]

I have defined that—Free labour means labour without providing remuneration in cash at the prevailing market rates in the locality for that kind of labour;

Forced or compulsory labour shall mean all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily.

Prof. N. G. Ranga (Madras: General): Without a *quid pro quo*.

Shri R. K. Sidhva: Then I have made a proviso that under the Indian Forest Act, 1927 and the Bombay Irrigation Act, 1879 where certian services are required for the interest of the State, should be exempted from the operation of this Bill. I have also been careful in saying that this Bill when it is passed into law should not come into conflict with the requirements of the State in an emergency. Therefore, with these words I am confident that the House will accept my motion. In this matter also I find that the Honourable the Chief Whip has tabled an amendment stating that this should go under circulation and the opinions should be invited by September. As I stated at the earlier stage this Bill is of a far greater importance—although both are equally important—I should have felt that this Bill which is really a stigma to society should have been passed without any reference or circulation. I want to know who is going to state that this condition should remain. There is no question of any employer saying that this should remain unless they want to make out a false case. However if the Bill has to be sent for circulation I wish that he will reduce the period for eliciting opinion from September to June so that in the next session when we meet the reports will be available and the House may be in a position, to dispose it of in the next session. I only make an appeal to him and if that is acceptable to the House, namely, that this Bill be circulated for eliciting opinion thereon by the 30th June, then I will have no objection. With these words, I commend this motion for the acceptance of the House.

Mr. Deputy Speaker: Motion moved:

"That the Bill to provide punishment for free or forced or compulsory labour, be referred to a Select Committee consisting of the Honourable Shri Jagjivan Ram, Shri A. V. Thakkar, Shri H. V. Kamath, Dr. V. Subramaniam, Begum Aizaz Rasul, Shrimati Annie Mascrene, Shri S. Sankar, Shri P. S. Nataraja Pillai, Shri K. Hanumanthaiya, Srijut Rohini Kumar Chaudhuri, Shri Jaipal Singh, Shrimati Dakshayani Velayudhan, and the Mover, with instructions to report on or before the last day of the first week of the next Session and that the number of members whose presence shall be necessary to constitute a meeting of the committee shall be five."

The Honourable Shri Satyanarayan Sinha (Minister of State): Sir, I move:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 1st September, 1949."

I have again to request the honourable the Mover to agree to my amendment in view of the fact that it is already engaging the attention of Government and Government has appointed a Special Officer to investigate the whole thing. The report is awaited very keenly and there is every likelihood that the report might be submitted to Government in the course of a month or two. As I have stated with regard to the other Bill, so in respect to this Bill also I may inform the House that it is quite likely that the Government might sponsor a Bill itself. If Mr. Sidhva wants this date to be changed to the 30th June, I have no objection. I will very gladly accept that as an amendment to my amendment.

Mr. Deputy Speaker: In view of the statement by the Honourable Minister of State, the amendment now before the House is as follows:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th June 1949."

Shri H. V. Kamath (C.P. and Berar: General): I welcome with all my heart the Bill that has been brought before the House by my honourable friend, Mr. Sidhva. I am sure there can be no two opinions on this point, that that Bill represents a move in the right direction, the direction of the social and economic emancipation of the vast masses of our country in conformity with the spirit of the Constitution on which we are all engaged. The House is very well aware that in the last session of the Constituent Assembly we adopted unanimously Article 17 of the Constitution which reads thus:

"Traffic in human beings and *begar* and other similar forms of forced labour are prohibited and any contravention of this provision shall be an offence punishable in accordance with law."

My friend, Mr. Sidhva has detailed to the House the international convention on this subject, and I do not therefore propose to go into it all over again. As he remarked, this usage of *begar* has been rampant in this country. I do not presume to say since when: but ever since perhaps our country passed into the gloom and the night of slavery, this custom must have taken a firm foothold in our country. Ever since the vast masses of our country began to be exploited, not merely by the foreigner, but by the indigenous feudal landlords, this custom has taken a heavy toll in India. It is high time, now when we have emerged from the night of slavery into the light of freedom, that we put an end to all the vestiges of slavery which may still exist in our social structure. This custom of *begar* is one such, and in my judgment this Bill has been brought not a day too soon.

My friend, Shri Satyanarayan Sinha moved an amendment seeking to circulate the Bill for eliciting public opinion thereon. I see no rhyme or reason for such a move with regard to the amendment that has been brought before the House by the Honourable Shri Sinha. The reasons that he advanced for the amendment are by no means convincing, and I have no hesitation in opposing the amendment that he has moved before the House.

What is Government's view in this matter? Does it or does it not accept the spirit and the letter of Article 17 of the Constitution which we have adopted already? I have read the Article to the House already and there is no doubt whatever that the spirit of the Bill is absolutely in conformity with and not a whit at variance with Article 17 of the Constitution which we unanimously adopted at the last session of the Constituent Assembly. I see no reason whatever for circulating this Bill for eliciting public opinion thereon. The very reason which my friend, Mr. Sinha, adduces for circulation of the Bill is in my view a reason for not circulating it. He has said that Government is very sympathetic and that Government is very keen about it. We are very glad to hear that from the Honourable Minister of State. He has said that Government is not only keen but has appointed a Special Officer to investigate the whole problem. If that is so, then his report will be before us; and so what is the point, when we have adopted the Article, in further circulating it among the people of India? We, Sir, are functioning in the Constituent Assembly as representatives, as plenipotentiary representatives of the people of India. And did we not adopt the Article as representatives of the people of India? Why again go to the people of India and ask them for their opinion? If that is the case, then perhaps it cannot be gainsaid that every article that we have passed in the last session of the Constituent Assembly, and which we are going to adopt in the Assembly in future, will have to be brought before the people for a referendum or plebiscite. I cannot accept this proposition and I hope that this sovereign House not stultify itself by accepting this amendment moved by Mr. Sinha because that will be against the spirit of the Constitution which we are busy framing.

Therefore, Sir, I strongly oppose the amendment moved by my honourable friend. Shri Sinha and support the Bill wholeheartedly for the abolition of *begar* and all kinds of forced and compulsory labour that has been moved today by my friend, Shri Sidhva, and I think, Sir, that the House will see its way to accepting the reference by Shri Sidhva to a Select Committee for its report. After all, when the Constituent Assembly has adopted the article and the Select Committee of this House is going to consider the Bill, there is no reason, no purpose served in my judgment, by circulating this measure again for public opinion. Public opinion of the vast mass of this country, the poorest, the lowliest and the lowest, I am sure, will wholeheartedly welcome every provision of this Bill and if at all there will be any opposition to this measure it will come from the vested interests, the feudal landlords and zamindars who unfortunately, still stalk the land.

I therefore have great pleasure in welcoming Shri Sidhva's Bill and supporting it wholeheartedly and opposing the motion of my friend Shri Satyanarayan Sinha.

Shri A. V. Thakkar (Saurashtra): Sir, I rise to support the Bill introduced by my friend the honourable member Shri Sidhva. Section 374 of the Indian Penal Code exists for the last 89 years since it was enacted in 1860. I am sorry that that section has remained a dead letter, as mentioned by Shri Sidhva. There has been only one case of offence under that Act and I believe it will remain a dead letter until something very substantial is done to mend the state of things. Those who move in villages, those who go round in the country side can observe this for themselves. This *begar* will not be seen in cities and towns. It cannot be seen by the people moving in high societies: it will be seen by people who go round the villages and go round even the tahsil towns and see things for themselves as social workers. (*Prof. N. G. Ranga*: "In the hills and the jungles.") Yes, in the hills and the jungles as my friend the honourable member Prof. Ranga reminds me. In the hills and jungles I have observed it myself since the year 1920, since when I was working in the Bhil country in Gujerat. I know of a friend who had undertaken the opposition to this kind of *begar* by observing it himself and taking the load from the head of a Bhil and putting it on his own head in order to make an exhibition of it—a sort of small satyagraha. That was what he did in order to bring it to the notice of the public.

Another thing which I wish to say is that I do not understand why the Government should delay this matter as we have heard from the Honourable Minister Shri Satyanarayan Sinha, the Chief Whip. I would like the Honourable Shri Sinha to say who is this special officer who is going round the whole country in order to get evidence and give a report to the Government of India. I would like to be in touch with him. As a friendly measure I would like and see what he has been able to do and what evidence he has been able to collect.

Apart from that, there is one more important point. This *begar* is a relic of the past. As far as I can see, it has been brought in not by the British Government but by the previous Moghul rulers or at the time of the dark period through which the country passed after the fall of the Moghul Empire. It has been existing there for the last 200 or even 300 years. Therefore let us put an end to this custom as soon as we can. No time should be lost. We have lost, as I said, already 89 years after enacting that section 374. Let us not lose any more time. We are now independent. Let even the poorest and humblest people in the country feel independence.

[Shri A. V. Thakkar]

One last point before I sit down. Until the mass illiteracy of this country is removed this *begar* is not going to stop and I see no signs of this mass illiteracy being removed by the introduction of primary compulsory education. We are giving adult franchise to people without the benefits of primary education. How can that go on? Until the villager knows that he is entitled not to render any free service or even compulsory service, the poor fellow cannot understand this. Therefore the sooner we teach him how to read and write and to enforce his own right and see that he is not under any necessity to undertake any labour for anyone, even the highest in the land, until that time this *begar* will continue to a certain measure. At present almost universally it is there in villages, let me tell you that. At present the villager does not know that he need not do the forced labour and that he is entitled not to do it. Sir, with these words I support the motion moved by my friend, the honourable member Shri Sidhva.

The Honourable Dr. B. R. Ambedkar (Minister for Law): Mr. Deputy Speaker, I have no justification for intervening in this debate, because the subject matter of the Bill does not by the remotest stretch of imagination pertain to the department of which I am the head. But if my past experience as a Labour Member is sufficient to justify my intervention I am prepared to do so.

When I was the Labour Member I had taken up this matter of putting a stop to forced labour and, if I may say so, I spent practically about six months to study the different forms of forced labour that prevailed in this particular country. The subject appeared to me to be assuming so many different forms in different parts of India that I could not come to the conclusion that a simple measure applying generally to all parts of the country would solve this problem. Consequently when I was a Labour Member I had decided to appoint a small committee of four or five people to go round different parts of the country to examine the problem and to report on the different forms of forced labour which prevailed, so that having had the fullest knowledge of the various forms of forced labour it would be possible for Government to frame a measure which may be fool-proof and knave-proof. Unfortunately for me my proposal to appoint a committee to investigate into this question was negatived at the highest quarters on the representation of interested parties. In fact I was accused that I was rushing too fast in the field of labour legislation. Consequently the whole of the proposals which I had put forth remained in abeyance. I now understand that my successor has appointed an officer to deal with that matter. Whether an officer is better than a committee is not a matter on which I propose to express any opinion but I should very strongly impress on the House the necessity of knowing the different forms of forced labour before the House undertakes any piece of legislation. (*Babu Ramnarayan Singh*: "Not necessarily.") It is on that ground that I support the motion of my friend the Honourable Shri Satyanarayan Sinha that the House should be in possession of the fullest information before any legislation is adumbrated.

The second thing that I should like to refer to is that the question of forced labour, as my friend Mr Kamath just now said, is really now regulated not so much by the Penal Code but by the Constitution itself. But Mr. Kamath, I think, forgot to realize what are the incidental powers which go with the provision relating to forced labour embodied in the Constitution. I think he forgot to realize that the power to legislate with regard to forced labour will now pertain to the Central Parliament. It would not be in the concurrent field as such. Today if you want to legislate on forced labour it will be either for the Central Government or the Provincial Government.

The second difficulty would be that even if Parliament was to legislate with regard to forced labour under the entry 'labour welfare' contained in the Concurrent Legislative List, the power of administration of such law would vest in the Provinces. It has been my firm conviction that if a large number of welfare measures which have been passed by the Centre have come to nought it is because the Centre itself has had no power to administer the laws that they have made, and I am firmly convinced that even if you pass one hundred laws preventing forced labour, if the administration of these laws remained with the Provinces, persons who are victimized by forced labour would never be able to get the benefit of such laws. Fortunately for us we propose to provide in the New Constitution that whenever any law is made in the concurrent field it would be open for Parliament to reserve to itself the right to administer any particular law. I am quite satisfied within myself that if any legislation dealing with forced labour is to be effective so as to completely eradicate the evil, such a law would have to be administered by the Centre and not by the Provinces. As I submitted, these are matters which would come into operation only when the Constitution is passed and not before that. I therefore submit that having regard to the considerations that I have placed before the House the most appropriate motion for the House for the present time to pass is the motion of my friend Shri Sinha. It would give us the time we need for the Constitution to come into operation and the information we so badly want for the purpose of framing a proper legislation.

Shri H. V. Kamath: On a point of information only, will not the purpose, that my honourable friend Dr. Ambedkar has in view, of collecting information on this subject be adequately served by a two or three member sub-committee of the Select Committee either summoning witnesses or touring the country and getting the information themselves instead of leaving it to a third person?

The Honourable Dr. B. R. Ambedkar: No. As I said it is much better if this legislation came after the Constitution was passed because we could then get the power to administer the law that we make.

Shri H. V. Kamath: Even then the report of the Select Committee can be awaited. Why should we leave it to public opinion? That is my point, especially when we have adopted the article in the Constitution. Such a course will do violence to the spirit of our constitution.

Mr. Deputy Speaker: Shri Mahavir Tyagi.

Honourable Members: It is one o'clock.

Mr. Deputy Speaker: Shri Mahavir Tyagi has been called. He will speak after Lunch.

The Assembly then adjourned for Lunch till Half Past Two of the Clock.

The Assembly re-assembled after Lunch at Half Past Two of the Clock, Mr. Speaker (The Honourable Mr. G. V. Mavalankar) in the Chair.

Shri Mahavir Tyagi *rose—*

Mr. Speaker: I see no Ministers on the Treasury Benches!

Shri Mahavir Tyagi (U.P.: General): Will it be proper for me to address the House without any Member present on the Treasury Benches, Sir?

Shri T. T. Krishnamachari (Madras: General): It is a non-official day!

Shri H. V. Kamath: But a motion has been made by the Honourable the Minister of State and certainly some Member must be present on the Treasury Benches.

Mr. Speaker: Somebody must be present. I am taking steps to see that somebody is present.

The Honourable Shri K. Santhanam *entered*—

Shri Mahavir Tyagi: Well, I welcome my Railway friend, Sir.

Sir, I am glad Shri Sidhva has brought before the House a question which is the unanimous demand of the whole country. It has been before the country for the last thirty years as far as I know—because I took to politics thirty years ago—and since then we have always been shouting and protesting against this custom of compulsory and forced labour. Shri Sidhva has brought a Bill which expresses practically the unanimous desire of the whole country. I do not exactly agree with what is said in it because it requires a lot of changes and needs consideration. But in the past there has been a custom that whenever non-official Bills were brought before the House they were not taken care of by the Treasury Benches or not taken due notice of, and they were looked upon and discussed carelessly and things were left as they were. Now, Sir, since the popular Government is in power I hope this non-official Bill will receive due consideration at the hands of the Treasury Benches.

In clause 5 of the Bill, Shri Sidhva says:

"The normal working hours of any person from whom forced or compulsory labour is exacted shall be the same as those prevailing in the case of voluntary labour and the hours worked in excess of the normal working hours shall be remunerated at the rates prevailing in the case of overtime for voluntary labour."

I want to point out this clause 5 just to say that it requires a change because after all, if we keep clauses like this it means that even after passing the Bill there may be a possibility of forced labour still going on and we will be recognising forced labour even after the Bill is passed. It is only a verbal change that is required which Shri Sidhva will be able to accommodate.

Then it is not the only question. As Shri Sidhva has said, the root of this forced labour was in the feudal form of society. In fact, as I see it, it goes far beyond. It has its origin in the old golden past, because in those days in the villages nobody was paid and everybody worked for the society. They were the golden days of the rural areas when agriculture was the main profession and everybody worked for agriculture. Those who were peasants used to reap the crops and those who were artisans got a share of the produce. The washermen got a percentage of the produce of every field and so did the weaver. They never got any compensation for the services they rendered to individuals; in fact, they were doing all the service free; the peasants were tilling the land free and the artisans were doing all the service free. Everybody had a fixed proportion in the crop produced in the village. It was then that people were working free and it was a sort of a corporate society which was everybody's lot and everybody's good fortune to work for. It was then that people got, instead of their wages, their shares.

Then came the feudal system in which the good points were lost sight of and then this voluntary labour became forced labour; and since then people are being forced to work against their liberties. I come from the village and I know how this forced labour is practised. It is not by force of weapon or by physical force that a man is put to forced labour or has to work against his will. It is in fact the circumstances there, the economic circumstances, that force a man to work free for another. In the villages practically half the population is such that it has no house of its own—no person in the village has a house. People who live in the cities cannot realise the conditions that obtain in the rural areas. In my side, in the rural areas—and in many other provinces—people, especially the artisans, the labour class and the scheduled classes, have houses in which they live. They have been living in houses for generations past but they have no ownership over those houses. They are

there at the free will of the landlord. If they refuse to work for the landlord, they are ejected out of the house. In fact, a very big number of the citizens of India are without houses. Therefore, it is under the stress of that threat of ejectment that those people have to render labour. They have no grazing lands of their own and they have no right to graze their cattle. The landlord says that because of his grace he allows these labour class people to graze their cattle and therefore in exchange of that privilege which is given them, they do forced labour whenever the *Zamindar* wants them to render forced labour.

This forced labour is prevalent only in the rural areas. In the cities I do not think there is anything as forced labour. This forced labour exists and a man does it not because he is punished or beaten; he does it because the economic conditions that obtain in the villages are such that a man has to put in forced labour. So, by law alone forced labour cannot be wiped out. You cannot do away with it by passing an Act only. In my side, in Jaunsar Bawar in the Debra Dun area, in the hilly tracts, some hundred years ago a feudal lord had advanced some ten, twenty, fifty or one hundred rupees to a person for his marriage. Since then the family has always given one man to serve the feudal lord because though the loan was advanced long ago—centuries or generations ago—it still stands. There is no interest charged on such loans but a man of the family must serve the landlord because he had helped his forefathers in getting married, out of which marriage these people were the issues. They have to pay for their birth because they were born of a family which was indebted and therefore they have to render forced labour.

There was a Committee appointed to report on this—our honourable friend Thakkar Bapa knows it. In that area which I have already mentioned there are thousands of such people who go under this sort of slavery. They practically, from their birth had come over to the family of the landlord and they worked for the landlord. When we went there and enquired from them as to whether they were willing to leave, they said they had no other alternative but to stay because the landlord had fed them, he clothed them, and therefore they were his slaves. Slaves are naturally to be fed. In olden days even in Europe slaves were fed, and sometimes better fed than our countrymen are fed today. Those slaves are not willing to leave, and will we not call them as subjected to forced labour? It is forced labour, forced by circumstances of long ago in the past, and those people are labouring. They are practically slaves. This Bill alone, as it is, will not do. Some drastic action and executive action of the Government is necessary to wipe out this slur on India—the "forced labour". Because, if the man who is working as slave in Jaunsar Bawar leaves today, where will he go? There is no other land or profession for him. The State has not yet thought it fit to start cottage industries in the villages. It seems as if the State were being run for urban areas only, and as if rural areas in India did not exist. No attention has been paid to conditions of rural areas. Those persons have no home, have no house, no land on which to build a house, *kutcha* or *pucca*. Those who do not have an alternative means of living, can not resist forced labour. Under these circumstances, those people are naturally forced under stress of conditions to render forced labour. So, by law alone this forced labour cannot go. They must have some thing to fall back upon which they may call their own. I therefore submit that as Dr. Ambedkar has just now pointed out, this question requires a thorough enquiry. But an officer of the type which he mentioned cannot do the job. They say, an officer has been appointed to enquire. What does an officer know? He may be an England-returned officer. He generally knows only about the system of red-tape in Government. Those persons who have been in the villages, they are not recognised to be officers, because they are

[Shri Mahavir Tyagi]

of no use to this Government. Only England-returned officers, highly graduated officers, are needed. (*An Honourable Member*: "Is that a disqualification?") Yes, it is They are still sticking on to the old British ways when a man who came from England or had an Oxford accent would be taken as a superman. I speak wrong English. But, I think I am quite all right inspite of it. What do I care for this blessed accent or grammar? I must have knowledge and experience. Sir, I submit that these officers are of no use. They are for the use of the Secretariat all right, and that too from 11 to 5 O'clock. I submit they cannot have any idea of the villages. I therefore press, I hope our friend Shri Satyanarayana will see to it, that an officer alone is not enough, to depend upon his reports alone will not do. The situation is grave. It is really very serious in the country-side. An officer therefore will not do. I would suggest, and I hope Shri Sidhva might perhaps also agree, that if the Government appoints a committee to enquire into the situation in the country and that committee goes about and finds out what kinds of forced labour or forced service is taken from the people then alone you may be in a position to come out with a good Bill or enactment.

I understand and I confess that non-official Bills are mostly criticised on the basis that they are incomplete. We have no data. We have no statistics. It is those benches alone under whose orders statistics can come. Our business in bringing forward non-official Bills is mostly to point out the direction in which the trends of public thought and the demands of the public are. The real Bill which should take the shape of law should come from that side. I therefore submit if they appoint a committee and come out with a complete Bill the House will always co-operate with them.

One thing more, and that is, that in the case of official Bills we always, the non-officials, put ourselves on Committees; offer ourselves and work for them. We give the best co-operation to them. I hope the Government also in reciprocity lend their best co-operation in the matter of Bills that come from this side.

Mr. Nasiruddin Ahmad (West Bengal: General): Sir, I rise to support the Bill I am against circulation. It is a common joke in the country that whenever a certain thing is not wanted it is relegated to a committee, and whenever a Bill is not wanted it is sent for circulation. It is to circulate. Perhaps it is to revolve round its own axis and then come to a dead stop. One of the Honourable Ministers, Dr. Ambedkar, said—not representing the Department concerned but in his individual capacity—that it is absolutely necessary for us to know the various kinds of forced labour that are current in the country I submit any classification is absolutely unnecessary. Our object is absolutely to prohibit all kinds of forced labour, no matter what different kinds of forced labour are in vogue in the country. If we want to stop corruption, it has to be stopped altogether without classification. It would be unnecessary to send some officer to find out what are the different types of corruptions that prevail in the country. When the Penal Code was enacted, I believe, they did not send people to find out what were the different kinds of thefts that were then in fashion in the country—by pick-pocketing, by sneak theft, in fact thefts of different kinds. Theft is always theft and it must be stopped Take the case of misappropriation or cheating. The point is you must stop it. It is not necessary to tabulate the different classes of these offences. The question is whether forced labour should be stopped. The common determination throughout the House as well as outside the House is that forced labour must be stopped. There is no point in asking for public

opinion. Public opinion is fully represented in the House. There is no question that it should continue.

I submit that the Bill should be taken into consideration. Of course, as has been pointed out by Shri Tyagi, if non-official Bills are defective—that is perhaps so in some cases—it is for the draftsmen of the Government to look to them and supply the gaps. The great idea behind the Bill is that forced labour must stop, and unless Government wants to oppose it, there is no point in sending the Bill for circulation. I therefore support the original motion of Shri Sidhva.

Srijut Rohini Kumar Chaudhuri (Assam: General): Sir, I am told that when the King or any person in sovereign authority requests anybody to do anything that request is not to be treated as a request but it should be treated as a command. When an Honourable Minister who has to himself a Chief Whip of the majority party of this House wants a certain thing to be done it has to be done. There is no option. There are one or two persons in the House who want to support Shri Sidhva's motion. Those honourable members will find that the pillar which they are supporting will collapse before their support comes in and there will be no necessity at all to support him. But it is not merely from a sense of compulsion that I am supporting the motion for circulation. I think there are certain kinds of labour which is unknown to many members of this House, and if this Bill of Mr. Sidhva is going to be accepted, then the first person or body of persons who will have to be prosecuted will be the Prime Minister of Assam and the Government of Assam because in Assam there is a sort of labour, which is recognised by rules themselves. There are forest villages, that is to say, villages declared to be forest reserve. If any one wants to live in the forest reserve, he is not allowed to live on mere payment of rent in cash. He has got to perform work for certain days in the year; he has got to do it; he has to carry out that labour when the Forest Department wants his work and sometimes they are also taken to construct latrines. They have got to do it; they may be respectable men or they may be Brahmins; still they have got to go and work there and to construct latrines. Of course, there is no harm in constructing latrines, which are not used. They are not asked to repair latrines; they are not paid anything, but they are allowed to live in the forest area. They cultivate the land for which they do not pay any rent to the Government, but they have to work for 12 days in the year. Wherever the Government wants them to go, they have to go and do this forced labour. Now I want to know whether this forced labour will come under the definition of labour here. (*Prof. N. G. Ranga*: "There is exemption.") There is a consideration, but that consideration the labourers themselves like and if they are allowed to pay a rent instead of being asked to work, they would have been thankful. At the same time you might consider it as a sort of exchange, because they are working for 12 days as labourers and that would come to Rs. 24 or something but the rent itself would not come to more than Rs. 5 or at the most Rs. 6. Is that not forced labour? That is the question which has to be considered. On the one hand it will be difficult for those people to work and the Government will never allow or give permission to get the land on payment, because they would not get labour in that part of the country. I would like to know what definition would you give for this kind of labour. I suppose this system is not so much in vogue in any other part of India. This has got to be investigated and some specific recommendation has to be made. Mr. Sidhva with his vast knowledge of things in India was not acquainted with the state of affairs in Assam, and therefore, after having heard me, I hope he will agree with me that this Bill ought to be circulated.

[Srijut Rohini Kumar Chaudhuri]

Then, Sir, I wanted to say they have fixed the number of hours which usually some labourers perform in the towns. The factory labourers have certain hours in which they work but in the villages or in out-of-the-way places, this cannot apply. I have seen in villages that sometimes the clocks show 12 o'clock when it is actually about 8 o'clock. So this fixation of hours is not so much to be considered. I am speaking from my knowledge of the villages. The difficulty may be that the clock has not been working properly; there may be differences in the timings. That is why I say, Sir, that this Bill has to be considered thoroughly.

We have waited long enough and it will not matter if we wait till September 1949. We have now, at least seen the beginning of things. The Committee which my honourable friend, Dr. Ambedkar set up ended in nothing, because he did not follow it up. Now I suppose September is quite near and September will be time enough if the Bill is to be circulated.

The Honourable Shri Satyanarayan Sinha: I have agreed to the 30th of June.

Srijut Rohini Kumar Chaudhuri: We may have a session in September and we may pass this Bill and in the meantime, we must have patience.

Shri M. Ananthasayanam Ayyangar (Madras: General): I rise to speak a few words in support of the motion for circulation of the Bill. I entirely agree with what all has been said. It is an unfortunate recrudescence of the past, the Britisher who was here never wanted to raise the economic level of the masses and they have left us in a much worse condition. Therefore, every word and the earnestness and the enthusiasm with which this matter has been pressed before the Assembly does ample justice to the members' interests in the masses at large. Now, we heard from the Honourable Dr. Ambedkar that when he was the Labour Member here, he appointed a committee to thoroughly go into this matter, but unfortunately.....

Shri R. K. Sidhva: He only said that he wanted to do so.

Shri M. Ananthasayanam Ayyangar: I am sorry for the error. He only wished to. It was during the previous Government and unfortunately after this Government came in, he changed his portfolio; his successor did not also take the necessary steps in the manner we would like. We shall have a committee appointed with experts non-officials where the officials will only be the Secretary, whose job will be to gather evidence. If that is the view, we can certainly get the help of independent workers like Thakkar Bapa who has worked all his life and for that matter other interested persons in various provinces who have been taking a keen interest in this matter. If this reform had not been already placed in the statute book, it is not for want of enthusiasm of Dr. Ambedkar, but it is exactly because the previous regime was not keen about it. Now it is only a year since we came into office. Honourable members know how much trouble there has been all along and as soon as the Government was taken by our people, we have passed the fundamental rights. The Fundamental Rights Committee was appointed long ago and one of the important article says that forced labour in any form or shape is prohibited and there is penalty under another clause. Thus nothing has been wanting so far as we are concerned. The time has been too short. Even in the previous regime such friends as Dr. Ambedkar and others have been pressing, but the problem is a very serious one. Free labour means labour without profit. The labourer must be paid in cash. Now I will not talk of the absurd limits, but the solution may not be the same thing for all kinds of free labour. Free labour may have to be allowed in particular cases. In Section 374 the Indian Penal Code refers to unlawful free labour. (*Mr. Nazimuddin Ahmad*: "Labour of love.") Labour of love or affection? Therefore, Sir, if this Bill straightaway goes to the Select Committee, it would frustrate the very purpose we have in view and therefore we may have to wait some more time, say till the 30th of June. In the

meantime there is nothing lost. But there is one regret that this official may not carry the confidence that the experts and members from various parts of this House may have. Therefore, I suggest that there must be a committee of non-officials with some person like Thakkar Bapa to be the Chairman with an official who has made some survey as Secretary to go round from place to place and collect the experiences and talk to individuals and place it before the House and I am sure that will be really useful and effective. This motion for Select Committee need not be pressed. I would urge upon the Mover himself to accept reference to circulation. After all, it is not a long period and it will come back to us before the 30th of June.

Shri H. V. Kamath: Will my honourable friend accept the appointment of a non-official committee consisting of some members of the Select Committee?

Shri M. Ananthasayanam Ayyangar: I am only making a suggestion and I am as much a member as the honourable member.

The Honourable Shri Satyanarayan Sinha: Mr. Speaker, Sir, I have nothing more to add to what I have said while moving the amendment, but I can assure again this House that there is no intention on the part of the Government to shelve this Bill as remarked by one honourable member. I have accepted the amendment of Shri Sidhva to my amendment that the date should be reduced to the 30th of June. As regards the appointment of a Committee, I think the Government will consider it—and this is all that I can say now and most likely a committee will be appointed. What will be the composition of the Committee, I cannot tell you here, but certainly the non-officials will be associated with that Committee. I will again appeal to the Mover, he has already accepted my motion, but there are other friends who are more loyal than the King and I think they should not stand in the way of the Mover accepting the amendment which I have moved.

Shrimati Dakshayani Velayudhan (Madras: General): On a point of information, Sir, at the recent Conference of Labour Ministers in Delhi, I think they passed a resolution saying that a Committee will be constituted to investigate into agricultural labour and that the Committee is expected to submit its report within one year. We were also told that an officer is appointed on special duty to study the labour problem. I would like to know whether this special officer will leave out agricultural labour, what the Committee will be doing, what the Government is proposing to do and whether they are going to appoint a separate committee altogether to investigate into the various kinds of labour in this country.

Shri M. Ananthasayanam Ayyangar: If it is open to any other member to answer, I can only say that this morning I received a questionnaire from the Labour Department, on the question of wages of agricultural labour, their conditions of service, etc., and whether they ought to be improved or modified in this country.

Mr. Speaker: That will be a different proposition. All that the honourable member is naturally entitled to know is whether that Committee is going to look into the question of free, or forced or compulsory labour. That is the point of enquiry.

I think the matter has been sufficiently debated. I shall put the amendment to the House.

Shri R. K. Sidhva: Have I a right of reply?

Mr. Speaker: No.

The question is:

"That the Bill be circulated for the purpose of eliciting opinion thereon by the 30th June, 1949."

The motion was adopted.

Pandit Thakur Das Bhargava (East Punjab: General): Sir, I move:

"That the Bill to clarify and modify the law in practice hitherto followed in Criminal applications for special leave to appeal to His Majesty in Council for Criminal cases decided by the Indian Courts, be referred to a Select Committee consisting of the Honourable Dr. B. R. Ambedkar, Shri M. Ananthasayanam Ayyangar, Shrimati G. Durgabai, Dr. Bakshi Tek Chand, Shri C. Subramaniam, Pandit Mukut Bihari Lal Bhargava, Shri L. Krishnaswami Bharathi, Shri Upendranath Barman, Mr. Naziruddin Ahmad, Shri Brajeshwar Prasad, Mr. Frank Anthony and the Mover, with instructions to report by the 1st of March, 1949, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Today, we were informed by the Honourable the Law Member that there are 187 appeals pending before the Privy Council. They include civil appeals, probably criminal appeals and perhaps applications also. Under the present circumstances persons who are given death sentences by the High Court, or whose sentences have been confirmed by the High Court in regard to transportation for life or death having got no other venue of appeal or making applications rush to the Privy Council.

The Honourable Dr. B. R. Ambedkar (Minister for Law): For appeal?

Pandit Thakur Das Bhargava: For appeals as well as for making applications for leave to appeal. This is a sort of revisional jurisdiction as well as appellate jurisdiction. Appeals also are heard. In some cases, the Privy Council does not grant leave; in other cases, leave is granted on a question of law. It is not a clear and defined jurisdiction. I have known very hard cases in which leave has not been granted. In the Martial Law days of 1919, Kalinath Roy and others sentenced to transportation for life and death, preferred applications. Though ultimately the sentences were withdrawn by the Government in respect of some persons, the Privy Council did not interfere. I know of other cases in which some points of law have been clarified by the Privy Council, especially in regard to confessions etc., and they have laid down the law.

As a matter of fact, today, every Indian feels that it is quite unnatural to have a court six thousand miles away from India for deciding and giving final decisions in regard to criminal cases. Moreover, Sir, it is galling to our self-respect that even now, when all connection with Great Britain is broken off, we are still under the Privy Council in regard to judicial matters. Apart from that, the economic drain on the country is also not insignificant. Every person who has to make an application or to go for an appeal, has to at least spend Rs. 5,000. He has to deposit a large sum with the High Court before the death sentence is stayed and a convict is allowed to make an application for leave to appeal. Then, again, there is no dearth of Judges here in India. India can very well provide Judges who can dispose of these appeals and applications. Moreover, Sir, as far as I am aware, and as far as I have been able to to see the judgments, I must say that they proceed more or less on such lines as can be called legalistic and technical and substantially, they do not give us good justice according to our notions and according to our ideas. So that, taken from whatever standpoint, the average man in India does not like that this Privy Council should exercise this sort of jurisdiction. What we want today is that our Federal Court should be given this jurisdiction.

At present, after a death sentence has been awarded or confirmed, there is no right of appeal whereas a convict for the ordinary crimes has got two appeals. He can go to the Sessions Court and the High Court. A person convicted by the Sessions Judge and sentenced to death has got one appeal to the High Court and if the High Court confirms the sentence or sentences a man to transportation for life in revision, that person has got no right of

appeal. Similarly in regard to acquittals also, if in an appeal by the Government under section 417, Criminal Procedure Code, the High Court acquits a person, then the other Party has got no right of appeal. Therefore, my submission is that it is high time that we invested the Federal Court with all this jurisdiction. At present, what it is proposed to do is that the jurisdiction at present exercised by the Privy Council be conferred on the Federal Court. If this is done, we shall get speedy justice in an Indian manner by Indian Judges, without great cost.

It may be asked whether it is competent for this legislature to confer this jurisdiction. In regard to this perhaps the matter may not be quite free from difficulty. I say this because I know that there is a certain amount of influential and adverse opinion which I respect very much and therefore, I say it may not be free from difficulty. But, so far as I am concerned, I am convinced that this legislature has got full powers in the matter and can certainly take away that jurisdiction and confer the same on the Federal Court. According to section 6 of the Indian Independence Act, this Dominion legislature has got absolutely full powers, almost sovereign powers and it can do anything it likes. According to section 8(1), the jurisdiction to make a constitution for India lies with the Constituent Assembly. In regard to other laws, and other jurisdictions, I understand that this Dominion legislature has got a perfect right to make any law. In regard to the Government of India Act, I must say that the Government of India Act does not deal with this jurisdiction at all. If you kindly look at the provisions of the Government of India Act, section 206 speaks of civil jurisdiction; it does not speak of criminal jurisdiction at all. It is not under the Government of India Act that the Privy Council exercises this criminal jurisdiction; it is under an Order in Council which has nothing to do with the Government of India Act. Section 8(2), of the Independence Act which speaks of India being governed by the Government of India Act, 1935, as adapted, only relates to matters which come within the purview of the Government of India Act. Otherwise, this legislature has the inherent right to confer any jurisdiction. If you kindly see section 8(2) (b) of the Indian Independence Act, it says like this:

"Provided that

(b) nothing in this sub-section shall be construed as continuing in force on or after the appointed day any form of control by His Majesty's Government in the United Kigdom over the affairs of the new Dominions or of any province or other part thereof."

It appears, Sir, that the Government of Great Britain was anxious to wash its hands off and there is no reason why we should cling to the Privy Council when the intentions of this Government and the British Government are quite clear. I feel that India remains judicially a slave to another country if we maintain this jurisdiction.

I therefore submit with all the emphasis at my command that we should refer this Bill to the Select Committee so that it may be passed as soon as possible. If this matter is deferred and is not passed in this session, it may happen that many people will go to the Privy Council and they may have to spend lakhs of rupees which money can be better utilized in this country. May I therefore humbly ask, if the matter goes to the Federal Court, who would object to it So my submission is from all these standpoints we will be well advised in referring this matter to a Select Committee. I therefore submit to this House that it may be pleased to refer this to the Select Committee.

Mr. Speaker: Motion moved:

"That the Bill to clarify and modify the law in practice hitherto followed in Criminal applications for special leave to appeal to His Majesty in Council for Criminal cases decided by the Indian Courts, be referred to a Select Committee consisting of the Honourable Dr. B. R. Ambedkar, Shri M. Ananthasayanam Ayyangar, Shrimati G. Durgabai, Dr. Bakhshi Tek Chand, Shri C. Subramaniam, Pandit Mukut Bihari Lal Bhargava, Shri L. Krishnaswami Bharathi, Shri Upendranath Barman, Mr. Nazhruddin Ahmad, Shri Brajeshwar Prasad, Mr. Frank Anthony, and the Mover, with instructions to report by the 1st of March, 1949, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Shrimati G. Durgabai (Madras: General): Mr. Speaker, I have very great pleasure in lending my whole hearted support to the Bill brought by my friend Pandit Thakur Das Bhargava. Sir, not only myself but as far as I know there is a large section of the public which is in favour of this Bill to invest the Federal Court with the power of criminal jurisdiction also in some form or other at an early date. Sir, the object of this Bill as already stated by the Mover of the Bill is to make the Federal Court self-sufficient to the extent the Judicial Committee of the Privy Council had been in regard to criminal matters which Their Lordships have admitted from the Official Judgments and Orders of the High Courts in India.

Sir, this Parliament some time ago passed an Act, *viz.*, Federal Court Enargement of Jurisdiction Act. By virtue of section 206 of the Government of India Act this Dominion Legislature has passed that Act. Sir, the House is aware that that Act is very much limited in its scope and limited only to the civil matters. The Act that is passed, only related to civil matters and the criminal matters are kept entirely out of its purview. Therefore the object of this Bill is to empower the Federal Court with the jurisdiction of the Court of Criminal appeals in England and this Bill removes that kind of lacunae which we found in the Federal Court Enlargement of Jurisdiction Act. The Mover of the Bill wants by this to confer jurisdiction upon the Federal Court to entertain applications for special leave to appeal to that Court in criminal matters and a power which the Federal Court does not possess today and this would be in keeping with the status of our Free India. Otherwise I ask where is the independence of judiciary?

It would also enable us to take the criminal matters to this Court and it would check the further flow of criminal matters going to the Privy Council which as the Mover of the Bill has already stated, involve enormous expenditure, delay and inconvenience to the parties. I am told today there are nearly 187 or more appeals pending in the Privy Council. I am sure and my information is that about 25 to 30 per cent. of the appeals are criminal matters. Therefore it is necessary that we should take immediate steps to see that our Federal Court is invested with the power of entertaining applications in criminal matters. The position today is that in criminal matters the special leave is granted by the King in the exercise of his Prerogative Right and of course the position is a bit relaxed when an amendment to section 411 of the Cr. P.C. was made in the year 1943 when the matter arose in Thiagaraja Bhaghavathar's case. It says:

"Subject to such rules as may from time to time be made by His Majesty in Council in this behalf, and to such conditions as the High Court may establish or require, an appeal shall lie to His Majesty in Council from any order made on appeal under subsection (*1*) by a Division Court of the High Court in respect of which order the High Court declares that the matter is a fit one for such appeal."

So the appeal could straight go to the Privy Council and there the Prerogative Right of the King is not required and directly with the certificate of the Division Court the appeal could be taken. But now if we invest the Federal Court

with this power by this Bill it would enable us to take the criminal appeal to the Federal Court and that should be done immediately.

I know what may be said on the other side by Dr. Ambedkar that this Federal Court is the creature of the Government of India Act and there is section 206. This Parliament is not competent to take up this legislation and also whatever powers are to be exercised by the Federal Court, they must be exercised within the limits of the Statutory Provisions of the Government of India Act and it would be *ultra vires* otherwise. But my friend has already answered all those points. Therefore I do not want to take the time of the House in answering them. They might also say, wait, till the Constitution is passed and then automatically it will enable us to take up these matters but we do not know when this Constitution is going to be passed. It may be some years or it may be one year or some months but we need not wait because already sufficient number of appeals are pending and many more are going. Therefore it is high time that we should take this matter up without waiting for the constitution to be passed and enable ourselves in this matter. Amendment to section 206 can be taken. As it is 206 runs thus:

"The Dominion Legislature may by Act provide that in such civil cases as may be specified in the Act an appeal shall lie to the Federal Court from a judgment, decree or final order of a High Court without any such certificate as aforesaid."

In the amending Bill which we may consider we might delete the word "civil" or add the words "criminal also" in which case it would apply to all civil and criminal cases. So by taking some kind of immediate steps the spirit of this Bill which Mr. Bhargava has brought could be given effect to.

I am told there are certain things going on and there is a move that a Commonwealth Judicial Committee is going to be set up and some people have come to visit India. It is said that a wing of the Commonwealth Judicial Committee will sit in India which may involve a great expenditure. We do not know what kind of proposal they would make and what kind of arrangement we may be obliged to accept. Therefore without waiting for anything I think we can easily adopt without any difficulty the spirit of the Bill which Mr. Bhargava has brought and I appeal to Dr. Ambedkar to see that some immediate remedy is provided and the Federal Court is invested with the jurisdiction in criminal matters also.

Shri C. Subramaniam (Madras: General): I am in full sympathy with the objects of the Bill but I am afraid there is a certain lacuna in the Bill. The Privy Council as far as it acts as a Court of Appeal it might be alright for us to invest the Federal Court with those powers but the Privy Council apart from being a Court of Appeal, acts also as the King's Representative in the exercise of the Sovereign's Prerogative Rights. We are still a Dominion and the King of England is also the King of India. As a Sovereign he has got those Prerogative Rights and the Privy Council in certain matters acts as the representative of the King in the exercise of those Prerogative Rights. In criminal appeals, it is not as if the Privy Council is acting as a Court of Appeal. In exercise of the Sovereign's Right of Prerogative, the Privy Council used to interfere, not in all cases but only in cases where there was a gross miscarriage of justice. It is not even in cases where there is a mistake on a point of law that the Privy Council interferes: but it is only in cases where there was a gross miscarriage of justice that the Privy Council interfered with decisions of the High Courts in India in criminal cases. The section in the Bill reads that "it is hereby declared that all applications of the kind and character made to His Majesty's Judicial Committee of the Privy Council shall hereafter be made to

[Shri C. Subramaniam]

and heard by the Federal Court" certainly the Federal Court cannot be invested by this Assembly with the powers which the Privy Council exercises as the King's representative. So it might be all right that we invest the Federal Court with certain appellate powers or powers of revision in criminal cases. But I do not see how we can invest the Federal Court with all the powers that the Privy Council now exercises. So there is a lacuna which could be, if necessary, rectified in the Select Committee. At this stage I wanted to point out that, we cannot invest the Federal Court with all the powers that the Privy Council now exercises, and that is the point that I wish to make.

The Honourable Dr. B. R. Ambedkar: There is no difference of opinion between myself and the honourable the mover of the Bill that the jurisdiction of the Privy Council should be done away with. In fact, we have as early as possible taken the opportunity of passing an Act of this House by which the jurisdiction of the Federal Court has been considerably enlarged in the matter of civil appeal. But with all the sympathy that I have with the mover of this Bill, I am afraid he has not taken sufficient trouble to consider the difficulties that lie in the way of carrying out his aims and objects.

First of all, in order to carry out the purposes we have set out in the Bill, it would be necessary to pass an Act to amend the present Government of India Act which forms the Constitution of this country. Under the Government of India Act, which I said forms the Constitution of this country and under which this Legislature must work within its ambit, we have no power to invest the Federal Court with criminal jurisdiction. That matter will have to be dealt with in another Assembly sitting as a Constituent Assembly. The first thing that we have to do is to get the Government of India Act amended so as to enlarge the power of this House to confer criminal jurisdiction upon the Federal Court, which this House under the existing law does not possess. After having done that, we have to consider what criminal jurisdiction shall be conferred upon the Federal Court: whether the Federal Court will act as a Court of appeal in criminal matters, hearing cases from the various High Courts: whether instead of conferring appellate powers on the Federal Court we shall confer merely revisional jurisdiction upon the High Court: or lastly, whether we shall confer the same powers upon the Federal Court which are at present possessed by the Privy Council, namely, appeal by special leave. All these matters have to be considered very carefully before any such Bill is taken in hand.

The second thing which my friend does not seem to have considered is this. We have on the anvil the draft Constitution. sections 110 to 113 or 114—I forget for the moment—deal completely and exhaustively with this matter relating to the appellate jurisdiction of the Federal Court. One thing any one can see by reading those sections is that the powers of the Privy Council have been completely eliminated. Now, although my honourable colleague, Mrs. Durgabai stated that she did not see any prospect of the Constitution being passed at an early date, I venture to hope that when the Constituent Assembly meets on the 16th May next, it will try its level best to carry through the Constitution at any rate before the 15th August, 1949. If that happens, I do not understand why we should hurry with this particular measure. As I said, with all the difficulties with which it is presented, and which difficulties will have to be overcome if this Bill is to be carried through, I want to know whether my friend Mr. Thakur Das Bhargava, cannot exercise a little patience so as to wait for two or three months when the whole matter will be set right by the law of the Constitution. If however members of the House think that this is a matter which must be taken in hand at once, I have no particular objection

to his motion for referring the matter to Select Committee, although I must make it quite clear that I cannot help in not being able to hasten the work of the Select Committee in view of the fact that my hands are completely tied up by other work both in this House and outside. If on that footing he is prepared to put the motion to the House and insist that the Committee be appointed, I shall raise no objection.

Mr. Naziruddin Ahmad (West Bengal: Muslim): I would like to know what is the provision in the Government of India Act which prohibits the jurisdiction of this House. The point before the House now is whether the acceptance of the Bill involves the amendment of the Government of India Act.

The Honourable Dr. B. R. Ambedkar: My friend seems to forget the fact that when positive powers are conferred, you cannot say that powers which are not referred to are also conferred. If nothing had been said in the Government of India Act, it would be open to argument that this Legislature would be able to confer any power upon the Federal Court: but when the law has gone to the length of conferring certain specific powers, the inference is that other powers are not conferred.

Mr. Naziruddin Ahmad: May I speak on this point of law?

Mr. Speaker: That is not germane to the issue now. He has only made it a point in his speech, with regard to the difficulties in the way. But that is not the ultimate point for discussion here.

Shri R. K. Sidhva (C. P. and Berar: General): Has he consulted the Advocate General and found out that his views are identical to his own?

The Honourable Dr. B. R. Ambedkar: It is quite unnecessary to consult the Advocate General.

Mr. Naziruddin Ahmad: This point of law is one of the reasons which may stand in the way.

Mr. Speaker: We cannot have a fresh discussion making that point a principal point. That is one of the points which has given the Honourable Minister grounds to oppose.

Mr. Naziruddin Ahmad: But no provision has been referred to.

Mr. Speaker: That is again arguing the point!

Pandit Thakur Das Bhargava: Sir, with your permission, I would like to make a reply. In the first place I do not accept for a moment as a matter of argument that any positive powers if they are not conferred then by implication the legislature is debarred from exercising its jurisdiction in respect of conferring those powers, because if you would kindly see section 8(3) of the Indian Independence Act.....

Mr. Speaker: The honourable member is again going into the same argument.

Pandit Thakur Das Bhargava: Barring that, if this is conceded, the only question is whether it will be useful to have such a measure at this stage and that is the only question to which I shall address myself now.

In the first place, this measure was originally introduced by Sir Hari Singh Gour and with your permission I have introduced the Bill I think I should be allowed to go on with this measure and I do not want to take the responsibility of withdrawing this measure.

Secondly, I know that the people of the Indian Dominion are at the moment anxious to do away with the Jurisdiction of the Privy Council much more

[Pandit Thakur Das Bhargava]

than perhaps the Ministers themselves. We had the law passed here for the enlargement of the jurisdiction of the Federal Court in 1947. I even then gave notice of an amendment that Ajmer-Merwara should be included but so far as Ajmer-Merwara is concerned it is not included so far. So even now appeals go to the Privy Council. We are very anxious and we want to have the jurisdiction of the Privy Council taken away as soon as possible and I do not want to brook even a moment's delay. I know the adage "make friends with the allegator if you have to live in the pond." I would, therefore earnestly beseech Dr. Ambedkar not to obstruct the passage of this Bill, and to enable us on the coming date for Bills in April to put it through. Unless this jurisdiction is taken away, lakhs of rupees will have gone to Great Britain on account of these appeals which are sure to be made. I further want that 187 appeals now pending should also be transferred to India.

My friend should know that I sent many amendments to the sections of the Constitution Act relating to the Jurisdiction of the Federal Court in which I had sought to enlarge the jurisdiction of the Federal Court. Those things are not germane now. I want the jurisdiction which is exercised by the Privy Council to be made over to the Federal Court today. What the constitution of the Federal Court would be is a matter which we shall discuss at the proper time. In between this period those powers which are exercised by the Privy Council can very well be transferred to the Federal Court, if we accept the motion and pass the Bill.

Mr. Speaker: The question is:

"That the Bill to clarify and modify the law in practice hitherto followed in Criminal applications for special leave to appeal to His Majesty in Council for criminal cases decided by the Indian Courts, be referred to a Select Committee consisting of the Honourable Dr. B. R. Ambedkar, Shri M. Ananthasayanam Ayyangar, Shrimati G. Durgabai, Dr. Bakshi Tek Chand, Shri C. Subramaniam, Pandit Mukut Bihari Lal Bhargava, Shri L. Krishnaswami Bharathi, Shri Upendranath Barman, Mr. Naziruddin Ahmad, Shri Brajeshwar Prasad, Mr. Frank Anthony and the Mover, with instructions to report by the 1st of March, 1949, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted

CRIMINAL TRIBES (REPEAL) BILL

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, I beg to move:

"That the Bill to repeal the Criminal Tribes Act, 1924, be taken into consideration."

Sir, this Act has been repealed so far as the Province of Madras is concerned and with respect to the other provinces they are not of the same view. At any rate it is a blot on our statute book and I do not want any tribes to be called Criminal Tribes. No doubt originally the intention was that there should be settlements where they will be reclaimed within a particular period. It is also true that provincial governments have been establishing some settlements but they have not gone to the full length and by the manner in which the settlements are working today it may take a century before the criminal tribes can become civil tribes. I do not want them to continue perpetually like this. I therefore thought that this Act ought to be repealed and introduced the Bill subject to what the Deputy Prime Minister might say

in this regard. I understand that he would like to have this matter thoroughly examined by a committee. However, I will await what he says before I proceed further.

Mr. Speaker: Motion moved:

"That the Bill to repeal the Criminal Tribes Act, 1924, be taken into consideration."

The Honourable Sardar Vallabhbhai Patel (Minister for Home Affairs and the States): Sir, Government propose to appoint a committee to inquire into the working of the Criminal Tribes Act in the Provinces. It is true that we had made enquiries about, this from all the provinces and some of the provinces are strongly opposed to the repeal of the Act altogether. The province of Madras has already repealed it but a sudden break altogether from the present position in several provinces, where the problem is more or less chronic is thought to be undesirable. Yet, in view of the desire from several quarters that it is inconsistent with the dignity of free India to have such a measure on the statute book classifying a particular class of people as criminal tribes. we propose to appoint a committee to inquire into the working of this Act in the provinces where the problem is acute and to see how far it can he modified or whether the time is ripe for the repeal of it altogther. Therefore we have agreed to appoint a committee which will investigate this matter.

the Honourable Minister I do not want to proceed with the Bill further at the Honourable Minister I do not want to proceed with the Bill further at this stage.

Mr. Speaker: So the motion will stand over.

INDIAN BAR COUNCILS AND THE LEGAL PRACTITIONERS (AMENDMENT) BILL.

Shri M. Ananthasayanam Ayyangar (Madras: General): Sir, before I formally move my motion I might say that I had a talk with the Honourable the Law Minister and I ascertained from him that he is trying to institute a committee of certain judges to go into the whole matter of revising the Bar Councils Act as also the Civil Courts Act, If he makes that clear I will not pursue the matter.

The Honourable Dr. B. R. Ambedkar (Minister for Law): I have said so last time.

Shri M. Ananthasayanam Ayyangar: So I do not want to move the motion now

[At this stage Mr. Speaker vacated the Chair, which was then occupied by Mr. Deputy Speaker (Shri M. Ananthasayanam Ayyangar)].

MOTOR VEHICLES (AMENDMENT) BILL.

Shri R. K. Sidhva (C. P. and Berar: General): Sir, I beg to move:

"That the Bill further to amend the Motor Vehicles Act, 1939, be taken into consideration"

Sir, before 1939 every province had a separate Motor Vehicles Act and the result was that from province to province the provisions of the Act differed immensely, so that it affected not only the vehicle owners but the passengers and the consignees of goods through those motor vehicles. So there was a great deal of agitation. Take for instance licensing and registration. One province made one rule and another province made another rule. Similarly in regard to the control of transport, and also regional transport authorities.

[Shri R. K. Sidhva.]

Every province had separate rules with the result that they did not conduce to the smooth working of the motor vehicles on the roads. From that point of view in 1939 the Government of India enacted a comprehensive Motor Vehicles Act and that is the Act which is now in existence.

My Bill does not seek to do anything except to amend the clause relating to the speed at which these motor vehicles ply on public roads and that has a bearing on the accidents that occur on the public roads both in cities and elsewhere. Frequent complaints have been made that these accidents by motor vehicles be checked and reduced. Notwithstanding the vigilance of the police authorities and the fixing of sign boards that in particular roads the speed limit will be 20 or 25 miles per hour, the drivers take no cognisance of them with the result they drive fast and there have been a number of instances where without the slightest fault on the part of the pedestrian accidents have been caused and people have been killed.

As you know, Sir, footpaths are meant for pedestrians to walk. But I can cite a number of illustrations where the pedestrians were walking on the footpaths and motor vehicles have gone over on the footpaths and killed them. In Delhi City itself only a few months ago a poor pedestrian was standing on the brink of the footpath and a motor vehicle knocked him down and killed him. It happened similarly in Calcutta five months ago. I am giving you specific instances within my own knowledge. There will be many many others. A pedestrian was standing in Chowringhee on the footpath and a military truck came and killed him with the result that his widow and children are without any maintenance. At the prime of their life persons are being killed without any consideration by the drivers, neglecting their duty as to what their speed should be on the roads. The police are not able to check and control each vehicle. Very rarely, once in a hundred times, if a motor vehicle runs rapidly they note down the number and call the driver to the police station, or at the most he is prosecuted and fined with a paltry sum.

I have given thought over this matter and after going through the literature in other countries I have thought that after Section 27 of the Motor Vehicles Act there should be an additional section 27A. Section 27 reads thus:

"The registering authority may refuse to register any motor vehicle if the vehicle is mechanically defective or fails to comply with the requirements of Chapter V or of the rules made thereunder, or if the applicant fails to furnish particulars of any previous registration of the vehicle, and it shall furnish the applicant whose vehicle is refused registration with the reasons in writing for such refusal."

That Section will stand. I consider this as the appropriate place for adding the new section 27A which will read:

"27A. *Governors to be fixed on Carburetter.*—(1) No motor vehicle, carrying capacity of which is half a ton or in excess thereof used for carrying loads or passengers, shall be registered, unless its carburetter has governors fixed thereon.

(2) Such governors shall be sealed by such a Police Officer as the Superintendent of Police of the District may appoint in this behalf and shall be open to inspection by a Police Officer, not below the rank of a Sub-Inspector, in the area in which it plies."

What the carburetter is those who own and have seen cars know. It provides petrol for igniting purposes. Carburetter is the place through which speed is increased. If the driver puts his foot on to the accelerator the speed increases and upto sixty miles the car goes if it is in a position to have that speed. And nobody could check it. Therefore there is a governor fitted. Governor is a kind of an instrument which is provided in some countries. I have read it is provided in Italy and in some parts of France.

The governor is fitted and sealed with the carburetter in such a manuer that howsoever the driver should press the accelerator with his foot the car cannot go beyond the speed fixed in the governor by the police authorities. That is the sum and substance of this amendment which is the only solution. If a better solution is offered by the Government I shall gladly accept it. I have considered this matter over and I thought that for ensuring the safety of the passengers travelling and the pedestrians the only course is that compulsory governors should be fixed to the carburetters.

I have also tried to add a clause 114A which is a penal clause for infringement of the earlier clause. In this clause I say that "whoever drives or causes to be driven a motor vehicle in contravention of section 27A (which I have just now read) shall be punished with imprisonment for a term which may extend to six months and shall also be liable to fine not exceeding one thousand rupees." I do not think the House will say that the penalty which I seek to impose is serious having regard to the fact that the life of a person is concerned. Six mouths is nothing. If we have some consideration for the life of a human being, whosoever he or she may be, it is our duty to enact a law whereby in whatever way our intelligence could be applied we should see that these kinds of things are stopped. If human agency and police action cannot prevent these things then we have to iuvent some mechanical method for this purpose. This is the mechanical method which exists. These governors have been produced for this purpose.

The Honourable Dr. B. R. Ambedkar (Minister for Law): How many governors are there now?

Shri R. K. Sidhva: None. If it exists in any part of India my purpose would be easy. It would be so easy that honourable members could have seen for themselves how far it is successful. I am seeking to introduce this method.

Sir, my Bill is a very simple one and I hope the Honourable Minister will kindly see to it that it is accepted. I do not think any further comment is necessary on this matter. It speaks for itself. I only wish to say that if we have consideration for human beings we should accept this Bill or else find out any other remedy if the Honourable Minister feels in that way.

Shri Mahavir Tyagi (U. P.: General): What is the speed you would prescribe?

Shri R. K. Sidhva: Any speed that the police officer considers proper. If the vehicle is going in, say, Connaught Circus it may be fifteen miles or so. The driver cannot go beyond that speed when once it is regulated at fifteen. (*Interruption*) Let me tell my honourable friends that there are licences issued for particular areas. If the car has to run in the City of Delhi, between New Delhi and Old Delhi, the police officer will regulate it accordingly. On the other hand if the car has to run far off in the suburban area the police will increase the speed limit consistent with the traffic in that area. Honourable friends have not seen these governors. They must apply their mind and ask themselves who has iuvented these governors, what has been the result of the invention of governors. Let them apply their mind and think over this. The governor is an instrument which has been manufactured for this purpose. If they do that then the difficulty will be over. Unfortunately nobody has seen these governors and therefore the difficulty arises as to how it would be regulated. Leave it to the police authorities. Sir, with these words I move the motion and I hope the Honourable Minister will be good enough to accept it.

Mr. Deputy Speaker: Motion moved:

"That the Bill further to amend the Motor Vehicles Act, 1939, be taken into consideration."

The Honourable Shri N. Gopalaswami Ayyangar (Minister for Railways and Transport): Sir, I am in full sympathy with the objects which the honourable the mover has in view. But my trouble is in the first place that we cannot, as we do in the political or constitutional field, have merely ornamental Governors who do not exercise powers or who are not sufficiently effective. If we are going to have governors fitted on to carburettors in a motor engine those governors have to be perfectly effective. They are to do their duty. Unfortunately all the expert advice that we have had up to now is that the governors now available are such that you cannot depend upon them. Not only that. We have not got sufficient governors available in this country. We have no doubt nine of them in different Provinces, but I am afraid if we have to fit governors on to carburettors we shall probably require nine lakhs of them. I am afraid that so far as my information goes these governors are not available in the market. Let me read to you the opinion of a Technical Committee which reported.....

Mr. Naziruddin Ahmad (West Bengal: Muslim): One Governor-General for all the motor vehicles in India?

The Honourable Shri N. Gopalaswami Ayyangar: Unfortunately even a Governor-General is becoming more and more ornamental. I shall read to you the opinion expressed by the Technical Committee of the Transport Advisory Council which reviewed the question only in 1947. It said:

"We feel strongly that the use of speed-governors should not be made compulsory. They are easily tampered with unless sealed, in which case an element of corruption is introduced. They frequently go out of order and there is an unfortunate tendency to govern vehicles at speeds at which the maximum output is not developed in top gear. We were interested to learn from Whitfield, Provincial Transport Controller, Bombay, that the compulsory fitment of speed governors in the Bombay Province, suspended during the war, is unlikely to be re-introduced."

Let me say that in the Bombay Province there is a rule which enables the Provincial Government to notify a provision of the kind that my honourable friend has in view—they did issue a rule to that effect—but since 1942 when that rule was issued they have been postponing the bringing into force of that rule because of lack of governors and, at that, lack of reliable governors.

I wish also to point this out. I do not think the country is going to suffer, not even the pedestrian on the roads, by the fact that an amendment of this kind is not introduced into the Indian Motor Vehicles Act. As the honourable mover has pointed out, Section 27 does say that the Registering Authority may refuse to register any motor vehicle if the vehicle fails to comply with the requirements of Chapter V or of the rules made thereunder. And if you look at the rule-making section 70 of the Indian Motor Vehicles Act, sub-section (2), clause (g) of that section permits a Provincial Government to make rules as regards speed governors.

Shri R. K. Sidhva: That rule is an all-India rule?

The Honourable Shri N. Gopalaswami Ayyangar: I will explain the position to you. The Government of India have issued model rules for adoption by Provincial Governments and one of the rules that they have suggested, which Provincial Governments might adopt, is in the following terms:

"*Model rule 176.* With effect from.....day of.....every transport vehicle other than a motor cab and a delivery van shall be fitted with a speed governor of one of the makes specified in the Eighth Schedule of these rules, in such a manner that the speed governor can be sealed with an official seal in such a way that it cannot be removed or tampered with without the seal being broken.

The speed governor of every transport vehicle as aforesaid shall be so set that the vehicle is incapable of being driven at a speed in excess of the maximum lawful speed of the vehicle except down an incline."

That model rule is in the hands of the Provincial Governments and if a Provincial Government adopts it then it has got to be complied with and any person who does not comply with it will be liable to a penalty under the provisions of the Act itself. As a matter of fact, the majority of the Provincial Governments have not adopted this rule. The Bombay Government adopted it and tried it, I think in the Poona area, but it subsequently suspended it and now we have had a report from the Bombay Government to the effect that though they have postponed the coming into force of this rule till April 1, 1949, their difficulty is that these governors are not available. You will be interested to know that though this rule refers to the Eighth Schedule in which the particulars of these governors were to be mentioned, including make, etc., that particular Schedule even in these model rules is blank! That shows that very few people really can get at a governor of this sort in this country.

All I ask my honourable friend Shri Sidhva to do is this. We have got all the powers necessary for bringing into force a rule of the kind he has in contemplation, when the conditions are ripe for doing so. It would not require his Bill being passed into law for Provincial Governments to take this power; we have enough power under the Indian Motor Vehicles Act and the Rules that could be framed under it by a Provincial Government. I therefore think that this particular Bill is altogether unnecessary and I would appeal to him not to press his motion.

Shri R. K. Sidhva: Sir, I have heard with interest the reply given by the Honourable Minister and I find he has quoted a model rule. It seems to me from the rule quoted that if it were applied, it is really effective and that it would serve my purpose. But the answer that he advanced that the governors are not available or that the Provincial Governments have not thought it fit, is not appealable to me for the reason that probably they are unaware of these rules; probably the Provincial Governments excepting Bombay have not seen this rule. I would request the Government of India to make enquiries in foreign countries whether these governors are available, and, secondly, to write to the Provincial Governments drawing their attention that such a rule exists and that in order to avoid accidents, if they find it desirable, to see that this rule is adopted.

I therefore beg leave to withdraw my motion.

Mr. Deputy Speaker: Has the honourable member leave of the House to withdraw his motion?

The motion was, by leave of the Assembly, withdrawn.

HINDU MARRIAGES VALIDITY BILL

Pandit Thakur Das Bhargava (East Punjab: General): I move:

"That the Bill to provide that marriages between Hindus, Sikhs, Jains and their different castes and sub-castes are valid, be referred to a Select Committee consisting of Giani Gurmukh Singh Musafir, Sardar Hukum Singh, Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shrimati G. Durgabai, Shrimati Renuka Ray, Shri Ramnath Goenka, Dr. Bakhshi Tek Chand, Lala Achint Ram, Ch. Ranbir Singh, Shri Mahabir Tyagi, and the Mover, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

Sir, in making this motion, with your permission, I will just state what the present condition of the law is. At present, in all matters, Hindus, Sikhs and Jains are bound by the Hindu Law. In regard to marriage today according to the terms of the Hindu Law, a marriage between a man and a woman

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belonging to different castes is not valid except in Bombay where *anulomas* marriages are allowed but the *pratiloma* marriages are not allowed. In Allahabad, Madras and Calcutta, the High Courts have been pleased to hold that even the *anuloma* marriages are not valid.

As regards persons belonging to different religions, I should say here also the position is very indefinite. According to custom any marriage is allowed which may not be allowed according to the strict principles of the Hindu Law. For instance, in the Punjab even *karvari* and *chandradari* marriages are allowed, and though according to strict Hindu Law marriages between members of different Hindu communities are not allowed, by custom in many places such marriages are allowed. For instance, in Nepal such marriages are held to be valid. In the Punjab, which is not a caste-ridden Province, marriages between the Sikhs and Hindus have been held to be valid not by the courts but by the society in general. Their children have been allowed to inherit and they have been treated just as though the marriages have taken place according to law. As between Jains and Hindus previously no marriages used to take place, but at present the pendulum has swung the other way and marriages take place between Jains and Hindus, especially Jain Aggarwals and Hindu Aggarwals, but it is very doubtful if a Jain Aggarwal could marry validly a Shudra or a Brahman. As regards sub-divisions and sub-castes also, before the Act of 1946 was passed marriages between sub-divisions of the Hindu community were declared legal in some places and in others illegal. But that is beside the point here. If sub-division and sub-caste is the same, then I am sorry to have used the word "sub-caste" here. The marriage between the members of the sub-divisions of the principal caste have already been legalised. In regard to the rest, for instance, if persons belonging to different religions and different castes want to marry, my humble submission is that according to the present law such marriages are not legal. At present, public opinion clearly demands that this must go and the marriage between persons of different faiths as well as of different castes should be made legal. At present there are many young men and women who want to marry beyond their castes. So far as public opinion goes, I am on sure ground that we are on a solid rock of foundation for this measure.

Taking it from a national standpoint, may I humbly submit to the House that to resolve the present friction between Hindus and Sikhs in the Punjab and to make them one solidified people if hundred girls of Sikhs and Hindus were married to hundred boys of Hindus and Sikhs, the whole trouble would have gone. In fact, I believe that if the Hindus and Muslims had married with each other, this Pakistan would not have been brought about. If we adopt this inter-marriage as a system among ourselves, I am perfectly sure that all the bitterness between the castes and the bitterness between persons of different faiths would go away. I do not understand why we should not adopt this measure. It may be said that the true principles of Hindu Dharm stand in our way, we are not well advised in adopting contrary measures. May I humbly submit that the first *sloka* in Mahabaratha begins in this manner that because there are not many Kshatriyas in the land, therefore some Brahmins may be brought and asked to procreate Kshatriyas. All our religion and our Vedic lore do tell us that among Hindus such marriages were not infrequent. As a matter of fact, before the caste system became stereotyped, it can very well be imagined that there was no prohibition among the Hindus for inter-marriage so far as caste was concerned. Therefore taking it from the radical point of view, I should understand that there is no special difficulty with regard to this measure.

But all the same, the point that I wish to make is that it is an enabling measure. It does no force any person to marry outside his caste. If a person so wishes, if a young man and a woman are so minded, if their parents are so minded, all I want is that the couple should be enabled to marry and their offsprings should be legitimate. At present, if a Hindu wants to marry outside his caste, it is not as if he cannot effect his purpose by resort to falsehood. According to the Arya Marriage Validation Act he can very well marry any Hindu outside his caste. Supposing a person does not belong to Arya Samaj, why should he have recourse to falsehood to effect his purpose? Therefore, the thing which the law should care about is that persons be enabled to do things in a legal manner. I also know that according to the provisions of the Special Marriage Act (Act III of 1872) it was possible for a Hindu to contract a marriage under its unamended provisions provided he declared that he was a non-Hindu while continuing to be a Hindu. A very nice paradox is given in the Hindu Code by H. S. Gour in para 457. This is what it says:

"It will thus be seen that the Special Marriage (Amendment) Act has created a paradox. If the Hindu declares himself to be a non-Hindu and marries, he remains subject to Hindu Law. If he does not so declare, he ceases to be subject to Hindu Law, giving rise to a conundrum: When is a Hindu a non-Hindu? The answer is: When he marries as a Hindu under the Special Marriage (Amendment) Act."

When the Act of 1923 was passed—I have read the proceedings of that time—it appears that Dr. Gour was driven to a corner and he had to accept a situation which would never have been accepted had he been free. According to the Special Marriage (Amendment) Act, the situation is very strange. If a person wants to marry outside his religion, say, a Hindu wants to marry a non-Hindu, then under the Amendment Act, "their previous rights are unaffected to the extent provided in the Caste Disabilities Removal Act." But yet what happens if they marry? The disability which they will suffer from, I am going to describe from Gour's Hindu Law. Their previous rights are unaffected to the extent provided in the Caste Disabilities Removal Act. "They no longer possess the right of adoption. And if the person so marrying is an adopted son, his adoptive father may, if he so chooses, make another adoption." So that the poor man who wants to marry, his rights as an adopted son, go away and his father is competent to have another adoption. Then, "such marriage has the effect of dissolving the joint family." This is another very great disability. If a person wants to marry a non-Hindu, he must cease to be a Hindu so far as the joint family is concerned. Then, "succession to their property and to the property of their issue is regulated by the Indian Succession Act." My humble submission is that there is no reason why we should undergo these disabilities. Why should a man wants to marry a non-Hindu suffer from these things, which go to show that as a matter of fact he must renounce all the laws which are dear to him and which he has inherited from generations. This is a wrong provision and leads to fraud and many other evils. There is no doubt that from the old position the present position is a bit better. I know of cases in which Arya Samajists married before the Arya Marriage Validation Act was passed and for years together they did not declare themselves as husband and wife. They were afraid of declaring, and what would happen to their off-spring? It may be said that at present the Hindu Code Bill is on the anvil, so where is the necessity for this measure at this stage? I would beg of you to allow me to meet this point.

In the first place, my submission is, I do not know when the Hindu Code Bill will be passed. It is doubtful if it will be passed in this session, next session or some other session. We do not know. Secondly, if this Bill is accepted, it would pave the way for such of the provisions of the Hindu Law as are given there and so it will be a help to passing that law. What would

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happen to many people who would not marry on account of this law not being there? Or if a person dies will his rights to property not be affected? At the same time, if this Bill is not allowed to be passed into law, many cases which could be governed by this law will be governed by the present law and people will suffer. The whole nation shall suffer in so far as we will not be able to make for conditions which would go to solidify the nation and make it homogeneous.

It may be said, it is a case of piecemeal legislation. We all know many instances of such piecemeal legislation. We know that we passed in 1946 the Act relating to validity of marriages between subsection of castes and then we passed in Bombay, the Prevention of Bigamous Marriages Act; and many other laws have been passed. I do not know of any other objections that may be raised to this Bill. It is a very small measure and this is a one-class Bill. All that it says is that previous marriages will be regarded as valid and in future such marriages will be valid. It does not propose to do anything else. I did not, as a matter of fact, venture to come before the House with a straight motion that it be passed into law because I am afraid it is a convention of this House that all these measures should be taken to the Select Committee.

I am anxious that in this session, we should be able to pass this measure into law, so that so far as the public is concerned, they will feel convinced that we mean business and we want to evolve a class-less society. I know what I am saying may not be liked. I was taken to task for expressing such an opinion in the papers an opinion which I read today to the House but in this vital matter. We are not to fear anybody. Mahatma Gandhi has told us we must have a class-less society. This is the right way to have a classs-less society. All differences between those people who are opposed to each other from the point of view of social rights, economic rights and political rights, will disappear and we will have one class-less society, if we adopt a measure like this. I would beseech the House to kindly pass this measure in this session after referring it to the Select Committee today.

Mr. Deputy Speaker: Motion moved:

"That the Bill to provide that marriages between Hindus, Sikhs, Jains and their different castes and sub-castes are valid, be referred to a Select Committee consisting of Giani Gurmukh Singh Musafir, Sardar Hukum Singh, Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shrimati G. Durgabai, Shrimati Renuka Ray, Shri Ramnath Goenka, Dr. Bakhshi Tek Chand, Lala Achint Ram, Ch. Raubir Singh, Shri Mahavir Tyagi and the Mover and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The usual practice is to fix a date by which the report may be submitted to the House. With instructions to report by what date?

Pandit Thakur Das Bhargava: By the end of this month, say the 28th of February

Mr. Deputy Speaker: With instructions to report by the 28th of February, 1949.

Shri K. Hanumanthaiya (Mysore State): Sir, I have great pleasure in welcoming this Bill. Pandit Thakur Das Bhargava has advanced very good reasons in support of it. They hardly need any support or addition. Before August 1947, our watch-word was 'freedom' and Mahatma Gandhi gave us the phrase 'quit India' and after the attainment of freedom, Sardar Patel has given us the word consolidation. He is doing it on the political front and that

is the greatest achievement that this country can boast of. (*Interruption*). And we have to do it also—may I say humbly with all sincerity and not with any levity—on the social front also. The great danger to India is 'disruptive tendencies', which are called communal tendencies and the marriage institution is the bastion which keeps these various differences intact and in perpetuity. This measure in a very humble fashion makes a beginning to abolish those distinctions in times to come and consolidate the Hindu society to begin with. I heartily welcome this measure and I suggest to the mover of this motion that he can take another Member into the Select Committee and I suggest Shrimati Annie Mascarene, M.A.B.L. being taken into the Select Committee.

Pandit Thakur Das Bhargava: I have no objection to add the name.

Shri K. M. Munshi (Bombay: General): I beg to support this motion. My honourable friend, Pandit Thakur Das Bhargava was pleased to describe this measure as a small measure. I beg to differ from him . It is a very big measure and a very important one. It should have been passed not now, but forty years ago. When the question was first raised before the courts and when the courts held in different provinces that marriage between the Hindus of different castes were invalid for one reason or the other. But in those days the Government benches were not prepared to allow the Hindu community to be dynamic and wanted to perpetuate the old customs which were enshrined in text books composed 700 or 800 years ago. I remember a case, Sir, I think it was some 40 years ago, when the validity of the marriage of a widow, whose husband had died several years ago was raised before the Bombay High Court and the High Court held that after long years of married life and leading case where I tried for four years to establish that the marriage betafter having grand children, her marriage was invalid because she happened to belong to a higher caste than her husband. I was concerned in another leading case where I tried for four years to establish that the marriage between a Hindu of higher caste with a wife of a lower caste was invalid. But for the fact that Sir Lallubhai Shaw was a judge of catholicity, perhaps I would have won the case, but even then the validity of *anuloma* marriage as we call them,—between the husband of a superior Hindu caste and the wife of an inferior Hindu caste—is not accepted as valid in some of the provinces. The question has also risen with regard to Hindus and Jains in part of the country. Hindus and Jains marry freely, but the point has always come before the lawyers for opinion whether a marriage between a Hindu and a Jain was valid. Now these are questions which ought to have been solved, as I said, years and years ago. But we have reached a stage when this must be solved immediately.

My hononurable friend, Pandit Thakur Das Bhargava referred to the special case of the Punjab. It is not a special case of any particular province; it affects the whole of the country. On account of education, on account of freedom marriages between members of different castes take place. But they find themselves in great difficulty on account of this doctrine of Hindu Law I know, not one or two, but dozens of cases where the parties merely profess to marry under the Civil Marriage Act, though they do not want to do it; they hated doing it; they do not want to disturb the joint family; they do not want that the succession Act should apply to them; they do not want to separate themselves from their parents; but because of the unfortunate state of the law, they have to marry under the Civil Marriage Act. Therefore, I submit, Sir, this a crying grievance which requires to be remedied as early as possible. I am glad that the mover has accepted your suggestion about the 28th of February and this Bill should be passed as early as possible.

[Shri K. M. Munshi]

There is one little point which I should like to mention and I am sure this defect will be duly rectified in the Select Committee. The words as they stand are: Notwithstanding any text, rule, interpretation of Hindu Law, or any custom or usage to the contrary, no marriage among Hindus is or will be deemed to be invalid by reason of the fact that the parties thereto belong to different religious castes or sub-castes. This might lead possibly to a construction that this provision only applies to marriages between parties who are alive. I think it should be made perfectly clear that even marriages of this character which have taken place in the past and in respect of which the question of succession arises should be deemed valid hereafter. I am sure proper rectification will be made in the Select Committee. I therefore, Sir, heartily support this motion.

Shri Deshbandhu Gupta (Delhi): I rise to support the motion which is before the House just as my honourable friend, Shri Munshi has pointed out, I also feel that it is a really very important measure. For many years one thing which has been standing in the way of Hindu solidarity and also in the way of our national solidarity is this division of the Hindu society in castes. I feel the time has come when we should pass a measure like this which seeks to abolish these artificial barriers without any further delay. I know of instances where some of my close friends who did not believe in civil marriages had to resort to civil marriages, simply because they happened to choose a mate which belonged to a different caste. You are aware, Sir, that the Arya Samaj has always been a believer in caste system by *'Guna* and *Karma'*. In spite of the fact that the founder of the Arya Samaj preached that cult and from the very beginning they advocated that there was no caste by birth. Arya Samajists also had to suffer from the same disability from which other people are suffering today.

It was after many years of struggle that the Arya Marriage Validation Act was passed. But, I find public opinion amongst Hindu has also advanced sufficiently and not only Arya Samajists but today many more Hindus do not recognise the artificial barriers placed by the caste system based on birth. Therefore, there is no reason why they should be forced to have recourse to the Arya Marriage Validation Act or to the Civil Marriage Act. Today, when public opinion has advanced, and when the caste barriers that have stood in the way of the solidarity of the Hindus and in the way of creating a national feeling, have gone, I feel the passage of a measure like this should not be delayed.

There may of course be some point in saying that the Hindu Code is coming and therefore we should not have any piecemeal legislation. But along with many of my friends I too believe that a measure of this nature, which is in no way opposed to the reformist ideas contained in the Hindu Code, should not be delayed. Although, my honourable friend Dr. Ambedkar would like the Hindu Code to be passed into law this very session, many of us do not share that view. It may take time. After all, that is a very important measure and has got many controversial clauses. Therefore, I would urge that this measure should be welcomed by us and its passage should not be delayed.

I wholeheartedly support the motion moved by my honourable friend Pandit Thakur Das Bhargava and I hope Dr. Ambedkar will also accept it and that the House will pass this small measure which is of great importance to Hindu Society, in this very session.

Dr. Bakshi Tek Chand (East Punjab: General): I wholeheartedly support the motion which Pandit Thakur Das Bhargava has made for referring this Bill to the Select Committee. The Bill has so far received support from various quarters of the House and I do hope that not a single discordant note will be raised against it.

The Bill, if I may say so, is no new measure. A Bill almost on identical terms was introduced in the old Imperial Legislative Council as it was then called, in 1919 by the late Mr. Vitthalbhai Patel. That Bill was circulated for opinion. Of course, different opinions were expressed, the orthodox element opposing it, officials opposing it and a number of persons and societies supporting it. But, before the Bill could come up for consideration before the Council, the Montagu Chelmsford Reforms came into operation the council was dissolved and the Bill lapsed. After that, Dr. Gour attempted in 1928 to modify the old Bill of 1872 but then also, there was opposition and the Bill had to be modified in several particulars. It was only in the form of a civil marriage that persons of different castes or different sub-castes of Hindus could marry; sacramental marriages are not permitted. With regard to sacramental marriages under the Hindu Law, the position is different in the different provinces. Some provinces, as has been pointed out, permit what are called *Anuloma* marriages; other provinces do not allow that. In the latter provinces, the courts have held that though in some of the *Smritis*, *Anuloma* marriages were permitted, they have become obsolete and they are not now recognised. In almost all Provinces, it is held that *Pratiloma* marriages are invalid. In the Punjab and in some other provinces, where custom is the rule of decision, marriages between certain castes are allowed, but between certain other castes are not allowed. I think the time has now come when a bold step should be taken and this measure should be placed on the Statute book. No doubt, under the Hindu Code which is now before us, provisions to this effect have been made. The Hindu Code Bill is however a very comprehensive measure dealing with different subjects and covers a very much wider field. There is much opposition to some portions of it. We do not know how long it will take for the Bill to pass, in what form it will be passed, or whether it will be passed at all. (*Shri T. Krishnamoorthi Bharathi*: "It will be passed.") It will certainly take time. There is no reason therefore, so far as this matter is concerned, to delay the passage of this simple measure, with which I think most people are agreed. I therefore support the motion.

Shri Mahavir Tyagi (U.P.: General): I do also want to have the honour of recording my support to this Bill of great reform as my honourable friend Mr. Munshi has said.

It is long since India has suffered on account of communal differences. Marriages are the root cause and elections the 'fruit-cause' for all these differences; because, it is primarily at the time of the marriage that one enquires into the caste of the other. Every time when marriages are held, castes are enquired into. The next occasion, when the caste of a person is enquired into, is when one stands for election. Now that we have decided to have joint electorates, we have to a great extent done away with the 'fruit-cause' of the communal evil. Thus politically we have put ourselves on the right track. And, as my friend Mr. Hanumanthaiya has just now said, the credit goes to the Honourable Sardar Patel for giving us political consolidation in the country. After this political consolidation, our next immediate need is to have social consolidation. This Bill will provide this need. I am sure, if this Bill is passed into law, marriages will be free. I am a believer in free marriages. Now that India is free, marriages must also be free and there should be no restrictions. I am sorry that the Bill has come at a very late stage in our lives: but let us pass this Bill for our future generations to practice it. I hope that the country will enjoy the freedom given by this Act. I wholeheartedly support the motion.

Shri Upendranath Barman (West Bengal: General): I also beg to accord my whole hearted support to the Bill and its reference to the Select Committee. In my mind, I am convinced of one thing. The circumstance that stands in the way of our national sense is the caste barrier. So long as it lasts, the different sections of the Hindu community and other non-Muslim communities cannot unite together and imbibe a sense of nationality in its true sense. So long as one knows that he cannot marry his son or daughter with the son or daughter of his neighbour, the true sense that they are one cannot come. I think that by passing this measure that barrier will be won. It is the sense of kinship that is the real basis of national sense and I wholeheartedly support this Bill and I hope that it will be passed into law as soon as possible.

The Honourable Dr. B. R. Ambedkar (Minister for Law): With regard to this Bill, there cannot be any difference of opinion between myself and my honourable friend the mover for the simple reason that the Bill is merely a part of the Hindu Code which I am sponsoring. My only objection to the Bill is that the Legislature having accepted the principle that the Hindu Law ought to be codified, it is wrong now to proceed piece-meal with the legislation. I have no objection, as I said, to the principles underlying the Bill. In fact those are the very principles which are embodied in the Hindu Code and therefore what I will suggest to my honourable friend is that either he should withdraw this Bill or postpone the consideration of the Bill so that we may know exactly what happens to the Hindu Code.

I am afraid having regard to the fact that I am sponsoring the Hindu Code and having regard to the fact that there being the motion before the House for consideration of the Bill as reported by the Select Committee, I am afraid I cannot take any other attitude than the one I have taken.

Ch. Ranbir Singh *rose—*

Shri L. Krishnaswami Bharathi (Madras: General): How can he be allowed to speak?

The closure motion has been put.

Mr. Deputy Speaker: I allowed Dr. Ambedkar to speak and he is not the sponsor. The question was not put.

चौधरी रनबीर सिंह: सभापति महोदय, इस बिल का समर्थन करते हुए मुझे बड़ी खुशी है क्योंकि मैं हिन्दुओं की उस Community से ताल्लुक रखता हूं जो आज से नहीं बल्कि शुरू से ही इस बिल के Principle को मानती चली आ रही है। अगर हिन्दुओं के अन्दर कोई कम्युनिटी थी जिसके अन्दर कि किसी दूसरी कौम के साथ रिश्ता हो सकता था और उस रिश्ते के बावजूद कोई बहुत ज्यादा भेदभाव नहीं होता था, तो वह जाट Community थी। यह ठीक है कि थोड़ा बहुत भेदभाव था, कुछ परहेज भी था, लेकिन वह बहुत मामूली था। तो इसलिए भी कि इस बिल से एक वह चीज जिसको हम सदियों से मानते चले आये हैं वह सारे देश के अन्दर हो जायगी, मुझे इसके समर्थन करने में बड़ी खुशी है।

दूसरी बात, जैसा कि त्यागी जी ने बताया, इसमें यह है कि इससे हमारे आपस के भेदभाव दूर होंगे, जिन की वजह से हम गुलाम हुए। हमारे नेता सरदार वल्लभभाई पटेल ने छोटी छोटी रियासतों को मिला कर देश को एक बना दिया और वह आसानी से बन गया। यह बिल आपस की सामाजिक गुत्थियों को सुलझाने के लिए बहुत अच्छी चीज है।

जहां तक हिन्दू कोड बिल का ताल्लुक है वह एक बहुत बड़ी चीज़ है। पता नहीं देश या यह सभा उसको मानती है या नहीं। उसमें कई चीजें ऐसी हैं जिनके बारे में हमारे देश के नेताओं ने मतभेद प्रकट किया है। तो मैं नहीं समझता कि सिर्फ यह समझ कर कि यह चीज़ एक बिल का part and parcel है इस को ठुकरा देना या उसको न आने देना कहां तक ठीक है। क्योंकि अगर हिन्दू कोड बिल पास हो जाता है तो कुदरती तौर पर यह चीज़ उसके अन्दर शामिल हो जायगी। अगर वह पास नहीं होता है तो कम से कम इसको तो पास होने का मौका मिलेगा। यह बात कहते हुए मैं हार्दिक तौर पर इसका समर्थन करता हूं।

(*English translation of the above speech.*)

Ch. Ranbir Singh (East Punjab: General): Mr. Deputy Speaker, Sir, I have great pleasure in supporting this measure because I belong to that community amongst the Hindus who have always believed in the principle of this Bill from the very outset. If there was any community amongst the Hindus which ever established relations outside its own sphere and that there existed no differences, it was the Jat community. It is true that there did exist some such element of difference and social ostracism but that was negligible. The very fact that this Bill will go a long way to establish throughout our country a principle in which we have believed since centuries past, affords me great pleasure to support this.

Secondly, just as my honourable friend Mr. Tyagi has stated, this will banish our mutual differences which were responsible for our slavery. By the integration of small states our leader the Honourable Sardar Vallabhbhai Patel has consolidated our country into one and that problem has been well solved. This Bill is a very good measure for solving our social problems.

So far as the Hindu Code Bill is concerned that is a big thing. It is not yet known whether or not the country or this House accepts it. It contains some provisions over which our leaders have expressed some sort of difference. I, therefore, fail to understand how far it is correct to shelve or reject this Bill simply for the reason that it forms part and parcel of that Bill, because if the Hindu Code Bill is passed, this measure will naturally be incorporated in it If that is not passed, this Bill will at least have chances of being passed.

With these words I whole-heartedly support this.

Shri K. M. Munshi: Is it permissible for me to answer a point made by Dr. Ambedkar?

An Honourable Member: Pandit Bhargava can deal with it.

Pandit Thakur Das Bhargava: Sir, I am very glad that all sections of the House have supported this measure. It is a measure of such a kind that I could not foresee with the highest flight of imagination that any sort of objection could be raised and I am very glad that this measure is liked by everybody. One objection has been raised and that is that since the Hindu Code Bill is on the anvil therefore, we should not proceed with this Bill. If the principles of this Bill and the principles which are the subject matter of the Hindu Code were antagonistic to each other, I could understand the objection, but where this measure proceeds on the same basis as the Hindu Code Bill, if we pass it in advance, it will really pave the way for the passing of the Hindu Code. I cannot understand how the passing of this will obstruct the passing of the Hindu Code— really it will accelerate its passage. May I enquire where is the law or rule or convention that if a Bill like the comprehensive Hindu Code Bill is on the anvil therefore another Bill cannot be

[Pandit Thakur Das Bhargava]

passed. There is no such convention. I cannot understand that if a measure is there which covers one of the points covered by another measure, therefore the second measure should not be passed.

Bakhshi Tek Chand has pointed out that this measure was a subject matter of a Bill in 1919 and this measure is associated with the name of our revered President V. J. Patel. Now in point of time I think so far as Hindu Code is concerned, this kind of measure is much anterior. In a matter of this kind, these technicalities even if they be valid, should not be allowed to stand. What would happen to those thousands of men and women if this Hindu Code Bill is not passed and I think it is not going to be taken clause by clause this session and it may go on to September or October and not passed in this Session because it is a controversial measure and it may take a year; what would happen to those young men and women who desire to marry according to the provisions of this Bill and our activities which certainly conduce to the formation and consolidation of one nation?

Sir, it is not a matter of joke. I am only helping Dr. Ambedkar whose marriage also will be legalised by this Bill. Why should he laugh at this? This may or may not be applicable to him yet the disabilities if any will be removed. I know hundreds of people want to marry under this and is it wrong to marry under this rule? I for one deprecate that anyone should place any obstacle to this Bill being passed in this session. If this measure is not passed in this Session all our efforts and Gandhiji's efforts will be futile. So my submission is this and I beg Dr. Ambedkar to kindly withdraw his objection and agree to the passage of this Bill as soon as possible because this would also help him in getting this relevant portion of the Hindu Code passed.

Shri K. Hanumanthiya: Has the honourable member accepted the name of Shrimati Annie Mascarene which I have suggested?

Mr. Deputy Speaker: Yes, I suppose the Honourable the Law Minister wants to know the number of men on the waiting list.

The question is:

"That the Bill to provide that marriages between Hindus, Sikhs, Jains and their different castes and sub-castes are valid, be referred to a Select Committee consisting of Giani Gurmukh Singh Musafir, Sardar Hukum Singh, Shri M. Ananthasayanam Ayyangar, Shri Deshbandhu Gupta, Shrimati G. Durgabai, Shrimati Renuka Ray, Shri Ramnath Goenka, Dr. Bakhshi Tek Chand, Lala Achint Ram, Ch. Ranbir Singh, Shri Mahavir Tyagi, Shrimati Annie Mascarene, and the Mover, with instructions to report by the 28th February 1949, and that the number of members whose presence shall be necessary to constitute a meeting of the Committee shall be five."

The motion was adopted.

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

(AMENDMENT OF SECTIONS 4, 29A, ETC.)

Pandit Thakur Das Bhargava (East Punjab: General): I have come to know that the Government intend to bring a comprehensive measure which will embody all the provisions of this Bill also along with other provisions. So I do not think it necessary to proceed with this measure. I hope it will be brought in this session. So we must await it

CODE OF CRIMINAL PROCEDURE (AMENDMENT) BILL

(AMENDMENT OF SECTION 488)

Shri R. K. Sidhva (C.P. and Berar: General): Sir, I move:

"That the Bill further to amend the Code of Criminal Procedure, 1898 (*Amendment of Section* 488), be taken into consideration."

This is a very simple Bill. The statement of objects and reasons which are attached with this Bill are self-explanatory. For the benefit of the House I will read those objects so that Members will understand the purpose of this Bill.

"Section 488 of the Criminal Procedure Code provides for a summary remedy for the wife to claim maintenance from her husband who neglects to maintain her. But in the event of her refusal to live with the husband without sufficient ground, she is not entitled to a separate maintenance. Several High Courts have given different rulings on this point and therefore the wife under the circumstances is found to be at a disadvantage. In one of the High Courts it was ruled that even if a husband has got a mistress it is not sufficient ground for a wife's refusal to live with her husband. This is a great hardship upon her. It is therefore necessary to make it quite clear and amend the law as stated to be so that the wife will be able to refuse to live with her husband under any extraordinary circumstances and yet claim the seperate maintenance".

It is therefore sought in this Bill that an additional clause be added to Section 488 and I desire that the following clause be added:

"If a husband has contracted marriage with another wife or keeps a mistress it shall be considered to be just ground for his wife's refusal to live with him."

Section 488 undoubtedly provides *in extenso* the provisions mentioned by me. But there is a lacuna and therefore the Courts have so far been reluctant to give maintenance to the wife. Section 488 says:

"If any person having sufficient means neglects or refuses to maintain his wife or his legitimate or illegitimate child unable to maintain itself, the District Magistrate, a Presidency Magistrate, a Sub-divisional Magistrate or a Magistrate of the first class may upon proof of such neglect or refusal, order such person to make a monthly allowance for the maintenance of his wife or such child, at such monthly rate, not exceeding one hundred rupees in the whole, as such Magistrate thinks fit, and to pay the same to such person as the Magistrate from time to time directs."

And there are other clauses in regard to this. I, therefore, submit that it is in fairness to the wife of a husband who has married another wife, or kept a mistress, that the original wife should have the right of maintenance. It is not proper that the husband who marries a second wife and enjoys the benefit of it should refuse to give a maintenance allowance to the first wife, who is the recognised wife. Therefore, I contend that this is a simple measure dealing only with the issue of maintenance. Three instances have come to my knowledge where the Court refused to give, even under section 488, a maintenance allowance. These cases were so just and pitiable, that I thought that, since despite my representation to the authorities under the present Act as framed it was not possible to give any relief, the only course was to add another clause to section 488 of the Act. I hope my Bill will be acceptable in the circumstances that I have mentioned.

Mr. Deputy Speaker: Motion moved:

"That the Bill further to amend the Code of Criminal Procedure, 1898 (*Amendment of Section* 488), be taken into consideration."

The Honourable Sardar Vallabhbhai Patel (Minister for Home Affairs and the States): I have no objection to this.

Mr. Deputy Speaker: The question is:

"That the Bill further to amend the Code of Criminal Procedure, 1898 (*Amendment of Section* 488), be taken into consideration."

The motion was adopted.

Mr. Deputy Speaker: The question is:

"That Clause 2 stand part of the Bill".

The motion was adopted.

Clause 2 was added to the Bill.

Clause 1 was added to the Bill.

The Title and the Preamble were added to the Bill.

Shri R. K. Sidhva: Sir, I move:

"That the Bill be passed."

Mr. Deputy Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

DENTISTS (AMENDMENT) BILL

Shri R. K. Sidhva (C. P. and Berar: General): I do not want to move, but I want to keep it alive because the Honourable Minister for Health is considering this matter.

Mr. Deputy Speaker: The honourable member may make a motion later.

SOCIETIES REGISTRATION (AMENDMENT) BILL

Shri R. K. Sidhva (C.P. and Berar: General): Sir, I beg for leave to introduce a Bill further to amend the Societies Registration Act, 1860.

Mr. Deputy Speaker: The question is:

"That leave be granted to introduce a Bill further to amend the Societies Registration Act, 1860."

The motion was adopted.

Shri R. K. Sidhva: Sir, I introduce the Bill.

The Assembly then adjourned till a Quarter to Eleven of the Clock on Monday, the 14th February, 1949.